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Abstract

By applying two behavioral theories, namely the cue utilization theory and the accessibility-diagnostics framework, this master thesis is concentrating on the COO-effect and how this effect might vary by introducing objective product superiority and inferiority to the experimental design. The thesis is trying to bring some additional light into the topic of COO and whether this effect might be counteracted or even overcome if one product is objectively better than its counterpart. The overall goal of this research objective is to detect how rational or irrational consumers act when being confronted with objective superior and inferior products differing only with regards to their COO. Therefore a clean independent 2x2 experimental design has been applied in Austria with stimuli varying with regards to their objective superiority of inferiority and their COO. The consumers evaluation of the investigated product is being measured by applying the price sensitivity meter by Van Westendorp (1976), because price is being identified as a much stricter test as it makes the consumer cognitively engage. Additionally, price is being perceived as a stricter test because it is not only about choice decisions regarding which product to pick, but also about balancing the product against how much money the consumers would be willing to spend for it. Furthermore, it has been controlled for confounding effects, which based on the existing literature may have an impact on the evaluation of the product, namely product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism. Findings of this master thesis offer some new insights into COO-effect and consumer behavior, namely willingness to pay.

Keywords: COO, product superiority, willingness to pay, cue utilization theory, accessibility-diagnostics framework

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Abbreviations

CI	...	Country Image
COO	...	Country of Origin
CV	...	Confidence Value
C-XEN	...	Consumer Xenocentrism
PSM	...	Price Sensitivity Meter
PV	...	Predictive Value
WTB	...	Willingness to Buy
WTP	...	Willingness to Pay

1. Introduction

This master thesis investigates one of the most popular topics in marketing research, the effect of country-of-origin (COO). The COO-effect can be defined as *“the impact that cognitive, affective, and normative associations with a particular country have on consumer attitudes”* (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012, p. 19). The COO is an extrinsic cue, which does not influence the product itself, like e.g. price or brand name, but may influence the consumers’ perception of the product. However, the COO acts as an extrinsic signal of product quality, and affects the likelihood of consumers purchasing the product (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012).

By applying the theoretical foundation of the cue utilization theory and the accessibility-diagnostics framework on the previous research of the COO-effect, a question is being raised, namely what happens to the COO-effect if we have also a detailed description of intrinsic cues of the product at hand? Therefore, the subsequent research introduces not only COO as an extrinsic cue, but also a detailed product description as an intrinsic product cue. By incorporating intrinsic product descriptions, a superior and an inferior product can be created, which differ objectively in terms of their product characteristics. To enable an objective comparison of these products differing in terms of their intrinsic and extrinsic cues, the consumers’ willingness to pay (WTP) will be utilized.

Therefore, by applying the theoretical foundation of the cue utilization theory and the accessibility-diagnostics framework this study tries to answer the question, what happens with the COO-effect if objective product superiority and inferiority are being introduced? Will the quite often investigated COO-effect hold even if one product is objectively better than its counterpart? And possibly counteract or even overcome the COO-effect?

From a theoretical point of view, this research topic is interesting and relevant because it might bring some light into whether intrinsic or extrinsic product cues are more relevant in a consumer decision making situation. Likewise, from a managerial point of view this study might offer some answers in terms of marketing intrinsic and/or extrinsic product cues. These results might be highly interesting especially for companies which have their origin in an inferior country but are producing superior products, and reverse companies which origin in a superior country but produce inferior products.

Based on the theoretical and managerial field of interest the research question RQ1 has been formulated, which will lead the reader throughout the entire study. To the best of our knowledge, intrinsic and extrinsic product cues have not been incorporated in one research topic the way they are being addressed in this master thesis. The RQ1 below will guide the reader first through a broad literature review, followed by a deductive development of the hypothesis. Afterwards, the methodology and the applied experimental design are being explained, going over to the statistical analysis and concluding with the discussion of the results. These results bring some new insights in the subject-area of COO-effect and whether consumers act more rational or irrational in terms of price evaluations.

RQ1: “To what extent is the consumers’ willingness to pay being influenced by the products’ country of origin (COO) and the superiority of a given product?”

2. Literature Review

2.1. Country of Origin

Consumers are confronted with a huge amount of product information which are supplied through advertising, branding, packaging, and many other channels. The consumers use this product information to shape preferences and make purchase decisions. This product information does also evoke emotions and feelings, imagery, and fantasies. However, country of origin (COO) is one aspect of product information which has a quite complex effect on the behaviour of the consumers (Verlegh & Steenkamp, 1999; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). COO is being defined as “the country where the corporate headquarters of the company marketing the product or brand is located.” (Johansson, Douglas & Nonaka, 1985). COO acts as an extrinsic informational cue for the perception and evaluation of a product by the consumer. A products’ COO operates as a signal of product quality and therefore, influences how consumers perceive the risk and the value of the product purchase (Verlegh & Steenkamp, 1999; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012).

The first investigation of COO was carried out by Scholler in 1965. The products in the study were all completely identical in all aspects, except for the country of origin, which was represented by the “made in” label. Scholler found that there were significant differences in the evaluation of those products, even though they did not differ from each other, except for their COO. Therefore, COO has a quite strong influence on the evaluation of the products and brands (Verlegh & Steenkamp, 1999).

The COO effect is often being caused by an ensemble of affective, cognitive, and normative aspects (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). The cognitive aspects are mostly extrinsic cues which signal product quality. Consumers tend to use COO images to judge the quality of a product in question. Teas and Agarwal (2000) conducted a study to investigate this effect and found that the main effect of COO cue on the perceived product quality was significant (Teas & Agarwal, 2000). The affective aspect is being constituted by emotional and symbolic associations with a COO. COO is being assigned to status, national pride, identity and prior experiences. The normative aspects of COO can be described as “consumer voting”. If a consumer decides to buy a product it can be regarded as his or her vote for this COO, but if the consumer decides not to buy the product it can be regarded as his or her vote against this COO. In this scenario the COO stands as well for policies and practices done in this specific country

(Verlegh & Steenkamp, 1999; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). It is about the consumers' association of a certain brand or service with a specific country and its' stereotype, reputation, image, and national characteristics. The country to which the consumer perceives the brand or service belongs to (Qu et al., 2021).

All together the COO effect can be categorized as an important and substantial factor in the customers' product evaluation. The link between the COO and the perceived quality by the customer is remarkably strong. The COO effect is stronger for products which are from more developed countries than from less developed countries. Therefore, the economic development of a country plays a remarkable role in the COO effect, because products from more developed countries are being perceived to be from higher quality than products from less developed countries (Verlegh & Steenkamp, 1999; Winit et al., 2014). Moreover, foreign products may also represent a certain social standard. By purchasing these foreign products, the consumer feels superior in comparison to those purchasing the local product. Products from countries with a higher modernity and sophistication show a higher level of symbolic value (Hooper, 2000). People often buy products from a certain foreign country to enhance their social status in comparison to their peer group, or even to show off their wealth. Furthermore, many people from developing economies associate foreign products with higher quality and despite that as well with social, and symbolic values (Khan, Bamber & Quazi, 2012). The general believe that foreign products are superior in comparison to domestic products consolidated in the construct of consumer xenocentrism (C-XEN). Xenocentric consumers think that the foreign products and lifestyles are always better. The own in-group is being perceived as inferior while the foreign out-group is being perceived as superior (Balabanis & Diamantopoulos, 2016; Diamantopoulos, Davydova & Arslanagic-Kalajdzic, 2019). As a consumer it is more likely to exhibit xenocentric tendencies if the own country has a lower status. Consumers from countries with a higher status are less likely to exhibit xenocentric tendencies (Diamantopoulos, Thourmrunroje & Scherer, 2021).

However, there are also studies which investigate constructs like the consumer ethnocentrism i.e., consumers favouring domestic products instead of foreign ones (Balabanis & Diamantopoulos, 2004). Besides the consumer ethnocentrism construct national identity is another factor which influences the choice of domestic products on the spot of foreign products (Zeugner-Roth, Zabkar & Diamantopoulos, 2015). But the choice for the domestic product instead of the foreign counterpart can also be driven by the love and the attachment to the own country, or by

feelings of economic superiority of the own country. Both patriotism and nationalism can lead to a preference for domestic instead of foreign product choices (Balabanis et al., 2001).

Furthermore, it has been found that COO has a significant influence on the consumers' willingness to pay for a product (Drozdenko & Jensen, 2009; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). The study of Drozdenko and Jensen showed that the respondents were willing to pay for products from the US 37%-105% more than for products which were manufactured in China. Despite that consumers also showed a positive tendency towards products from developed countries than from less developed countries. However, these COO effects vary significantly among product categories. For example, products which are being consumed e.g., toothpaste, reached a much higher willingness to pay when the product was from a developed country (Drozdenko & Jensen, 2009).

2.2. Willingness to Pay

Willingness to pay (WTP) captures the amount of sacrifice a consumer is willing to make as a component of the purchase decision (Davvetas, Sichtmann & Diamantopoulos, 2015). WTP is the point at which equivalence arises between the amount of money and the product in question (Brandenburger & Harborne, 1996). The consumers' WTP is the maximum amount of money he or she is willing to pay for a given product (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012).

It is important to evaluate the consumers' willingness to pay regarding a certain product because past research showed some evidence that a price increase of 1% leads to a profit improvement of 11.1% on average. One of the factors which may increase the willingness to pay is the perceived brand globalness (PBG). Another factor which has the ability to influence the consumers' willingness to pay is the prestige of the brand of the given product. This leads to the conclusion that not only quality drives the willingness to pay for a product but also the prestige of the company which sells the product to the consumer (Davvetas, Sichtmann & Diamantopoulos, 2015).

It is vital to mention that the WTP does not rely on but influences the outcome of the situation of bargaining (Brandenburger & Harborne, 1996). It is crucial to know the consumers' willingness to pay for a product in order to create a pricing strategy. Furthermore, the WTP is an internal reference price which influences the purchase decision of the consumers. Therefore,

the consumers' willingness to pay has been stated as an important and relevant outcome variable, as it influences the final purchase decision and influences the companies revenue (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). To sum up, price setting is one of the most important parts in marketing as it determines the success of the company. The consumers' WTP is an important knowledge for not setting the prices too low. Especially when the development of the product was expensive (Reinecke, Mühlmeier & Fischer, 2009).

In many prior studies the consumers' WTP has been taken as the dependent variable because it offers a stricter test. This is due to the fact that the price represents the sum of money we have to spend if we want to acquire a certain product or a service (Diamantopoulos et al., 2021; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). It is not being recommended to use only one singular question about the consumers' WTP. Instead literature suggest to apply multiple questions regarding the price of a product, which in this manner provides a more realistic result for pricing decisions (Desmet, 2016). To collect the data on consumers' WTP the Van Westendorp Price Sensitivity Meter has been used quite often. The PSM assumes that for each product a reasonable price exists. Consumer balance the product value against the price, which has been set. The consumers' WTP for a given product is located between an upper and a lower bound (Lipovetsky, 2006). The goal of the Van Westendorp PSM is to find an optimal price for the product or service at question (Reinecke, Mühlmeier & Fischer, 2009). The PSM by Van Westendorp is about asking the respondents four questions regarding the pricing of the product or service at question. It's about the point at which the pricing is evaluated as 1) too cheap (the price for a certain product is so cheap that consumers start question its quality), 2) cheap (the price for a certain product would be a great bargain), 3) expensive (the product is not being considered as cheap anymore, but buying it is not out of question yet), or 4) too expensive (the price is so high so the consumer stops considering buying the product) (Ceylana, Koseb & Aydin, 2014; Lipovetsky, 2006). By getting the consumers' response to these four questions the researcher can create the pricing footprint for the product or service at question. The pricing footprint comprises these four different price perceptions which consumers hold simultaneously for a certain product. Furthermore, these price perceptions may lead to or prevent the consumer from the actual product purchase (Diamantopoulos et al., 2021).

3. Theoretical Background

3.1. Cue Utilization Theory

The purchase of a new product is always linked to some risk. The cue utilization theory explains how the consumers use the various cues to evaluate the related risk of buying a new product (Li et al., 2020).

According to cue utilization theory, products consist of a number of cues which serve as indicators of quality to the consumers. The particular cues consist of a predictive value (PV) and the confidence value (CV). The PV is about the degree to which the consumer associates a cue with product quality. The given cue predicts the quality perception. The CV is about the degree to which the consumer has confidence in his or her ability to judge the cue and use it accurately (Richardson, Dick & Jain, 1994).

Furthermore, cues can be classified into two dichotomous categories. They can be intrinsic or extrinsic. The intrinsic cues are part of the physical product (Olson, 1972). “Intrinsic cues are integrated into the physical composition of a product and vary across product categories” (Shirai, 2020). E.g., the size of a product package acts as an intrinsic cue (Shirai, 2020). Contrary, the extrinsic cues are not part of the physical product (Olson, 1972). But they are related to the product, they are attributes of the product. E.g., price, country of origin, brand name, warranty, store name and advertising frequency act as extrinsic cues (Akdeniz, Calantone & Voorhees, 2013; Boulding & Kirmani, 1993; Brucks, Zeithaml & Naylor, 2000; Shirai, 2020; Teas & Agarwal, 2000; Yan et al., 2019). Higher product prices and store image e.g., a prestige store, can act as extrinsic cues and lead to higher quality perceptions of a certain product. Furthermore, also dark colours seem to be associated with higher product quality (Stafford & Enis, 1969; Wheatley & Chiu, 1977). As mentioned before, extrinsic cues of higher product prices can lead to a higher product quality evaluation but in return price promotions can reduce consumers’ product quality perception (Erdem, Keane & Sun, 2008). Warranties acting as an extrinsic cue for product quality seem to be more important in terms of higher product prices. Previous research showed an effect of warranties on product quality perception regarding products of higher prices but not for products of the lower price segment e.g., coffee, aspirin, or shampoo (Boulding & Kirmani, 1993). The extrinsic cues are outside of the product and therefore highly related to marketing actions (Li et al., 2020).

Consumers use extrinsic and intrinsic cues to judge brand or product quality. The intrinsic and extrinsic cues can be used independently or concurrently. In some situations, especially when intrinsic cues of the product are insufficient or even not present, consumers give more importance to extrinsic cues of the product to guide their purchase intentions and the quality perception of the product (Mishra, Malhotra & Saxena, 2021). Conversely, if there are enough intrinsic cues available, they should play a more important role than extrinsic cues.

However, extrinsic cues e.g., brand or store name can have a positive influence on the consumers' willingness to buy a certain product and its quality and value perception (Dodds, Monroe & Grewal, 1991). Furthermore, if the consumer is familiar with the product category, which means having a higher knowledge about a certain product category, then he or she will be more capable to judge the quality of the product based on the intrinsic cues (product characteristics) (Rao & Monroe, 1988). Another aspect which might influence the perception of a certain product is the manufacturers reputation. It's about the credibility of the manufacturer. A high reputation means that the manufacturer will less likely claim false information about the product in comparison to a manufacturer with a lower reputation. Therefore, the extrinsic cue of brand or manufacturer reputation can influence a consumers product perception in a way which concerns the trueness of the information of a certain product (intrinsic cues). In other words, the consumer questions whether he or she can trust the intrinsic cues which are provided by the manufacturer who might have a low or a high reputation (extrinsic cues) (Akdeniz, Calantone & Voorhees, 2013).

However, many previous studies showed an effect of different extrinsic cues on the consumers' quality perception of a certain product (Akdeniz, Calantone & Voorhees, 2013; Boulding & Kirmani, 1993; Brucks, Zeithaml & Naylor, 2000; Shirai, 2020; Yan et al., 2019). Nevertheless, Miyazaki et al. (2005) showed some evidence that intrinsic attribute information has dominance over extrinsic cues of quality perception. The interaction effect of extrinsic cues is being reduced in the presence of usable intrinsic cues (attribute information) (Miyazaki, Grewal & Goodstein, 2005). Furthermore, many researchers have investigated the connection between price and a products' quality perception. But in most cases, they did not include intrinsic product cues as they focused on the main effect of price influencing the perceived quality of a certain product. However, Chang and Wildt (1996) found that price as an indicator for product quality is moderated by the quality and quantity of intrinsic product attributes. Price has the greatest effect on quality perception when it is the only available information and the effect of the price

on the product perception is being moderated by the amount of available intrinsic product information (Chang & Wildt, 1996).

To sum up, many extrinsic cues e.g., price, have a quite high PV. But in cases of sufficient and available intrinsic cues the extrinsic cues seem to be less important. Intrinsic cues seem to have a higher PV than extrinsic cues (Chang & Wildt, 1996; Miyazaki, Grewal & Goodstein, 2005; Piron, 2000).

3.2. Accessibility-Diagnosticity Framework

The accessibility-diagnosticity framework is based on the argument that every real-world experience has the potential to influence subsequent responses in the future. This theory predicts “that an earlier response will be used as an input to a subsequent response if the former is accessible and if it is perceived to be more diagnostic than other accessible inputs.” (Feldman & Lynch, 1988). In this context the term accessibility refers to how easy it is to retrieve an input from the memory, and the term diagnosticity refers to whether the retrieved input is sufficient to obtain a solution for an issue or judgment task in the current situation (Menon, Raghurir & Schwarz, 1995; Meyvis & Janiszewski, 2004). Whether the response to a question in the past will be used to another later question depends on several functions: 1) the accessibility of the prior question in the memory (positive function), 2) its diagnosticity for the later question (positive function), 3) the accessibility of alternative inputs (negative function), and 4) the diagnosticity of the alternative inputs (negative function) (Menon, Raghurir & Schwarz, 1995). Therefore, “an input A in memory [...] will be used in determining a related judgement or behavior as a positive function of its own accessibility and diagnosticity and an inverse function of the accessibility and diagnosticity of alternative inputs B, C, and so on.” (Lynch, 2006).

Menon et al. found in their experiment that the accessibility of information from the memory relevant to the current judgment task moderates the usage of additional external context-based information (Menon, Raghurir & Schwarz, 1995). According to this framework, accessible information is being used as an input if this piece of information is being considered diagnostic, which means sufficient to obtain a solution for a given issue. In the special case of conflicting information, we have a situation where diagnostic information is missing. Therefore, consumers start looking for accessible information that would supply them with informative and valuable

information to fill this gap (Bareket-Bojme, Grinstein & Steinhart, 2020; Lynch, Marmorstein & Weigold, 1988).

Information in general is able to influence a consumer's evaluation of a brand or a product as long as this information is both accessible and diagnostic. Memory-based information can persist over time, but to do so those attitudes and impressions have to be rooted in the minds of the consumers and as well be diagnostic. If both cases are given it is even more likely that this information will persist over time. However, accessible information out of the memory regarding a brand or a product is not being used when there are more diagnostic stimulus-based inputs, which are contextually available in the current judgment-situation and thus are able to override the past impressions (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991).

Highly diagnostic information is more likely to be used than non-diagnostic information. In addition, information which are based on real-life experiences are being more diagnostic than information which are extracted from the media (Diehl, 2010). The perceived diagnosticity of an information determines the likelihood of the utilization of this information (Herr, Kardes & Kim, 1991). Therefore, a consumer in a purchase situation will make his or her decision based on the information which is the most accessible and diagnostic (Lund & Marinova, 2014).

3.3. Research Gap

A lot of research has been conducted on the topics WTP, COO, cue utilization theory, and the accessibility-diagnosticity framework. It has been found that COO has an influence on consumers' WTP and WTB. The COO of a given product operates as a signal to the consumers for product quality and this way influences the consumers perception on risk and value of a product purchase (Verlegh & Steenkamp, 1999; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012).

Furthermore, the cue utilization theory showed that consumers use intrinsic and extrinsic product cues to judge the product or the service. But if there are enough intrinsic product cues available consumers tend to ignore the extrinsic cues, like for example COO (Mishra, Malhotra & Saxena, 2021). Or at least the interaction effect of the extrinsic cues on the consumers product perception is being reduced in case of available and usable intrinsic cues e.g., product attribute information (Miyazaki, Grewal & Goodstein, 2005). To sum up, COO has an influence on the

consumers' WTP and WTB, but if there are sufficient intrinsic product cues available consumers tend not to use extrinsic cues like COO.

The accessibility-diagnostics framework tells us that information has the potential to influence consumers' evaluations of products or brands. But therefore, the information has to be both, accessible and diagnostic. Accessibility is about the ease to retrieve information from the memory and diagnostics is about having sufficient input to obtain a solution for a judgement task or issue (Menon, Raghubir & Schwarz, 1995). Accessible information from our memory has the potential to influence a product purchase decision. This influence could also be caused by a negative or positive COO. However, this accessible memory-based information is not being used in cases where a more diagnostic stimulus-based information is available. This would mean, even if a product has a negative COO due to some negative associations with the specific country, this should not influence the purchase decision if there are sufficient stimulus-based inputs, which are available in the current situation and therefore, override the past impressions (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991).

On each of these topics a lot of research has already been done, but to our knowledge they have not been combined into one experimental research design yet. The theory and countless COO research studies tell us that COO does influence the purchase and paying situation. But the cue utilization theory and the accessibility-diagnostics framework tell us that if sufficient intrinsic and diagnostic stimulus-based information in the purchase or paying situation available are then the COO should no longer influence the purchase situation. Because intrinsic cues are being evaluated as more important than extrinsic cues and furthermore, diagnostic stimulus-based inputs override accessible memory-based information.

Based on this theoretical foundation several questions arise and shape the research gap, which this master thesis aims to close. What happens with regards to the COO-effect if product differ? If one product is objectively better than the other product? Will the COO-effect still hold if there are objective differences in the product? If one product is objectively superior and the other product objectively inferior? And whether product superiority can counteract or even overcome COO-effects?

4. Research Purposes & Objectives

This chapter focuses on the research question and the derived hypothesis based on the literature review and the theoretical background. The research question is a more general question to which the hypothesis tries to provide some answers based on the cue utilization theory and the accessibility-diagnostics framework.

4.1. Research Question

RQ1: “To what extent is the consumers’ willingness to pay being influenced by the products’ country of origin (COO) and the superiority of a given product?”

- IV: Country of origin (COO) and superiority or inferiority of the product.
- DV: Willingness to pay (Van Westendorp’s Price Sensitivity Meter): asking the respondents the 4 price levels regarding a given product.

The aim of this study is to look at the main effects and interaction effects of the extrinsic cue COO and the intrinsic cue product superiority or inferiority. How much is the percentage of the price which goes to COO or superiority of the product? Which aspect of a product is more important, COO or superiority of a product, with regards to the willingness to pay for the given product?

4.2. Conceptual Overview

To deliver a systematic answer to the RQ1 above it is of interest to get a clear view on how extrinsic and intrinsic cues influence the consumers perception. Therefore, the extrinsic and intrinsic cues are being kept identical and comparison can be made. The idea is whether the consumers’ evaluation of a given product will vary, if the extrinsic cue is being the same across two groups, but the intrinsic product-related cues differ. E.g., to what extent does the consumers’ evaluation of an objectively superior and inferior product differ, considering the extrinsic cue COO being the same. Additionally, another topic of interest is whether the consumers’ evaluation of a given product will vary, if the intrinsic product-related cue is being the same across two groups, but the extrinsic cue (COO) differs. E.g., to what extent does the consumers’ evaluation of a product from a superior or inferior COO differ, considering that the product

itself is the same and only the COO is varying. Furthermore, it is of our interest to evaluate to what extent the consumers evaluation differs if the extrinsic and intrinsic cues are mixed. To what extent does the consumers' evaluation of a given product differ, if one product is superior in terms of both, extrinsic and intrinsic cues, and the counterpart being inferior in terms of both cues. And even more interestingly, to what extent does the consumers' evaluation of a given product differ, if one product is superior in terms of the extrinsic cue, but inferior in terms of the intrinsic cue and the counterpart conversely, being inferior in terms of the extrinsic cue, but superior in terms of the intrinsic cue (see Figure 1).

		Country of Origin (COO) <i>(= extrinsic cue)</i>	
		Superior (+)	Inferior (-)
Product <i>(= intrinsic cue)</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 1: Conceptual Overview Extrinsic and Intrinsic Cues

4.3. Hypothesis of Main Effects

This part of the master thesis focuses on the main effects of the subject of interest. The aim is to set two completely identical settings which differ only regarding one item of interest. Only one independent variable will vary while the others will stay constant across both experimental conditions. It is about getting a first clear look at the main effects and afterwards taking a more deepening look at the interaction effects. But for now, the focus will be on the main effects of the research purpose.

4.3.1. H1a: Superior Product

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 2: Superior Product

All other circumstances being equal except for the COO – how would this influence the consumers' WTP for a product? We are talking about two different groups of respondents. Both groups, G1 and G2, are shown the same superior product, but differing in terms of COO. G1 presents the superior product with a superior COO and G2 the superior product with an inferior COO (see Figure 2). The question here is whether the COO influences the consumers' WTP for the superior product? The cue utilization theory indicates that if intrinsic cues (product information) are sufficient available they are being evaluated as more important than extrinsic cues (COO). Consumers turn to extrinsic cues in situations where intrinsic cues are not sufficient available to make a decision (Mishra, Malhotra & Saxena, 2021). Furthermore, the accessibility-diagnostics framework suggests that accessible information from memory (positive or negative impressions with a specific COO) is not being used when more diagnostic stimulus-based inputs (product information and details) are available in the specific judgment-situation (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991). However, Akdeniz et al. (2013) found some evidence that extrinsic cues (e.g., brand or manufacturer reputation) have the potential to influence consumers product perceptions in a specific way which makes them question the trueness of given information of a product (intrinsic cues). Thus, by incorporating both theories, we assume that the consumers' WTP for the product in G1 will be significantly higher than for the product in G2. Because there are indeed enough diagnostic stimulus based intrinsic cues (product information and details) available in the current judgement-situation, but based on the findings of Akdeniz et al. (2013) the consumers might question the trueness of the intrinsic cues of the superior product originating from an inferior COO (extrinsic cue). The following hypothesis has been set up:

H1a: The consumers' WTP for the superior product with the superior COO will be significantly higher than for the same product with the inferior COO. [$WTP_{G1} > WTP_{G2}$]

4.3.2. H1b: Inferior Product

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 3: Inferior Product

In this scenario both groups, G3 and G4, present the inferior product, but the two groups differ regarding to the COO. G3 presents the inferior product from a superior COO and G4 present the inferior product from an inferior COO (see Figure 3). The question at this point, whether the extrinsic cue, COO, effects the consumers' willingness to pay for the inferior product, is generally the same as above. The cue utilization theory states that if intrinsic cues are sufficiently available consumers tend to incorporate the intrinsic, rather than the extrinsic cues in their decision making (Mishra, Malhotra & Saxena, 2021). Additionally, the accessibility-diagnostics framework suggests that if sufficient diagnostic stimulus-based input is available in the current judgement situation the accessible memory-based information (impression with COO) is not being used (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991). However, Dodds et al. (1991) found some evidence that extrinsic cues can have a positive influence on consumers quality perception of a product and furthermore, their willingness to buy the product (Dodds, Monroe & Grewal, 1991). Therefore, by including both theories and the stated arguments, we assume that the consumers' WTP for the product in G3 will be significantly higher than for the product in G4. The theories themselves would argue that in the judgement situation there are sufficient stimulus based intrinsic cues available, but based on the research findings of Dodds et al. (1991) the superior extrinsic cue (superior COO) might have some additional positive influence on the consumers' quality perception of the given product and increase their WTP for the inferior product originating from a superior country, even though the products are identical. The following hypothesis has been set up:

H1b: The consumers' WTP for the inferior product from the superior COO will be significantly higher than for the same inferior product from the inferior COO. [$WTP_{G3} > WTP_{G4}$]

4.3.3. H2a: Superior COO

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 4: Superior COO

Here both groups represent products from the same superior COO. But they differ with regards to the product itself. G1 presents the superior product from the superior COO and G3 presents the inferior product as well from the superior COO (see Figure 4). The question here is whether the superior COO has an upgrading effect especially on the inferior product regarding the consumers' WTP? The cue utilization theory suggests that the intrinsic cues (product details) are being evaluated as more important than the extrinsic cues (COO) (Mishra, Malhotra & Saxena, 2021). Furthermore, the accessibility-diagnostics framework underpins the cue utilization theory and states that if there are available diagnostic stimulus-based cues (product details) the consumer will probably not take the extrinsic cues (COO), which are associated with past experiences in the memory, in account (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991). However, by taking both theories in account, we assume that the consumers' WTP for the superior product (G1) will be significantly higher than for the inferior product (G3), irrespective of the superior COO. The following hypothesis has been set up:

H2a: The consumers' WTP for the superior product will be significantly higher than for the inferior product, irrespective of the superior COO. [$WTP_{G1} > WTP_{G3}$]

4.3.4. H2b: Inferior COO

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 5: Inferior COO

Finally, both groups represent products from the same inferior COO, but with different product. G2 presents the superior product from the inferior COO and G4 presents the inferior product as well from the inferior COO (see Figure 5). The question here is whether the inferior COO has a downgrading effect especially on the superior product regarding the consumers' WTP? As in the hypothesis above, the cue utilization theory and the accessibility-diagnostics framework suggest that the product details (intrinsic cues) are affecting the consumers' decision more as the COO (extrinsic cues), as they are available diagnostic stimulus-based cues and not memory-based (Mishra, Malhotra & Saxena, 2021; Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991). Based on these theories we assume that the consumers' willingness to pay for the superior product (G2) will be significantly higher than for the inferior product (G4), irrespective of the inferior COO. The following hypothesis has been set up:

H2b: The consumers' WTP for the superior product will be significantly higher than for the inferior product, irrespective of the inferior COO. [$WTP_{G2} > WTP_{G4}$]

4.4. Hypothesis of Interaction Effects

This chapter is about getting a deepening look on the interaction effects of COO and superiority or inferiority of a given product. In the previous chapter we concentrated on the main effects. Which means that only one independent variable varies, and the other independent variable is being kept unchanged identical. In this case now, the aim is to take a look whether there might be different outcomes if both independent variables vary. The following two hypotheses are concentrating on exactly these interaction effects.

4.4.1. H3a: Superiority vs. Inferiority

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 6: Superiority vs. Inferiority

In this situation both, COO, and product superiority, differ across both experimental conditions. Here we have an interaction of the two independent variables. In the hypothesis before in each case we had one independent variable being constant and the other independent variable had two different occurrences. Now both independent variables vary and probably interact with each other. G1 represents the superior product with the superior COO and G4 represents the inferior product with the inferior COO (see Figure 6). At this point it's all about the interaction of the superior or inferior COO and the superiority or inferiority of the product itself. The question here is how does this interaction show off? The cue utilization theory states that consumer evaluate intrinsic cues (product details) as more important than extrinsic cues (COO) (Mishra, Malhotra & Saxena, 2021). In addition, the accessibility-diagnostics framework backs the cue utilization theory up and states that if diagnostic stimulus-based cues (product details) are available the consumers will presumably not take the extrinsic cues (COO) in account (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991). Therefore, by combining both theories, we assume that the consumers' WTP for the superior combination of product and COO (G1) will be significantly higher than for the inferior combination of product and COO (G4). The following hypothesis has been set up:

H3a: The consumers' WTP for the superior combination (product and COO) will be significantly higher than for the inferior combination (product and COO). [$WTP_{G1} > WTP_{G4}$]

4.4.2. H3b: Mixed Superiority and Inferiority

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 7: Mixed Superiority and Inferiority

The last hypothesis contains probably the most interesting interaction. Superiority and inferiority of the product and the COO are being mixed. On the one side we have the inferior product with the superior COO (G3) and on the other side we have the superior product with the inferior COO (G2) (see Figure 7). Again, the two independent variables vary and probably may create an interaction which influences the consumers' WTP for the product. At this point the question occurs whether the superior COO has an upgrading effect on the inferior product and simultaneously the inferior COO has a downgrading effect on the superior product with the regards to the consumers' WTP? The cue utilization theory and the accessibility-diagnostics framework state that intrinsic stimulus-based cues (product details), which are more diagnostic, are being evaluated by the consumers as more important than extrinsic cues (COO), which are based on prior experience (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991; Mishra, Malhotra & Saxena, 2021). Therefore, based on these two theories we have to assume that the consumers' WTP for the product will be higher in G2 than in G3, as the product in G2 is being superior and the intrinsic stimulus-based cues are being evaluated as more important. But there is another question raising up. Does the COO in this scenario possibly reduce the difference in the consumers' WTP between the two groups? This depends on whether the consumers are rational or irrational. If we assume that the consumers are rational then their WTP for the superior product with the inferior COO should be higher than their WTP for the inferior product with the superior COO because the product is objectively better (intrinsic cues) and a rational decision maker would choose the better option. Recent studies have shown that the consumers act in some cases rational and in other cases irrational. This behaviour may also be driven by other factors, like consumer xenocentrism, which in our case should not play a role as the two countries will differ with regards to the investigation country (Diamantopoulos, Thourmrungrroje & Scherer, 2021). Therefore, we are going to assume that consumers act rational in general, but

indeed have irrational behaviour patterns, which are driven by other factors, like consumer xenocentrism. However, based on the rational consumer behaviour assumption the consumers' WTP for the superior product with the inferior COO (G2) should be significantly higher than the WTP for the inferior product with the superior COO (G3), as the product is objectively better and a rational consumer would pay more for the better option than for the worse. COO should not influence decision making if the consumer is rational. Based on all these considerations, the following hypothesis has been set up:

H3b: The consumers' WTP for the superior product with the inferior COO will be significantly higher than for the inferior product with the superior COO. [$WTPG2 > WTPG3$]

5. Methodology

The following chapter concentrates on the methodology of this study, explaining how the study design looks like, and how it is built. Furthermore, the independent, dependent, and control variables are going to be explained. Followed by a description on how the sample has been drawn and how the data has been collected.

5.1. Experimental Design

To tackle the research question and hypothesis it has been decided to conduct a 2x2 experimental between-subject design. Four independent groups of respondents will be analysed, compared, and put in relation to each other. The 2x2 matrix is being created by the two independent variables product and COO. The participants in each group will only see one product with one COO. This way we get four different and independent groups. The following groups have been created: G1 (superior product + superior COO), G2 (superior product + inferior COO), G3 (inferior product + superior COO) and G4 (inferior product + inferior COO) (see Figure 8). Each participants gets depending on the random assigned group one product, which may be superior or inferior and with a more or less favourable COO. The respondent has to state how much he or she would be willing pay for the given product. Based on these independent evaluations group comparisons and interaction analysis are going to be made.

		<i>Country of Origin (COO)</i>	
		Superior (+)	Inferior (-)
<i>Product</i>	Superior (+)	G1	G2
	Inferior (-)	G3	G4

Figure 8: Experimental Design

5.1.1. Independent Variables

As outlined above, the experimental design contains two independent variables, which separately will be explained in more detail in the chapters below. The first independent variable being discussed is the product, and the second independent variable is the COO of the given product.

5.1.1.1. IV: Product

It has been decided to take bicycles as the product category for this experimental research, as bicycles are neither as expensive as luxury products, nor are they as cheap that consumers would not require considerations in a purchase situation. Despite that, bicycles are durables and consumer might want to consider their choice wisely. Furthermore, the gender of the consumers does not intervene the purchase decision as bicycles are being used by all genders. Therefore, all respondents, women, and men, are welcome to participate in the survey. In addition, some previous studies have already used bicycles as the experimental product stimulus and the results have shown that this product category is suitable for such experimental designs and analysis (Dachs-Wiesinger, 2018; Diamantopoulos, Thourmrungröje & Scherer, 2021). Another positive side effect of bicycles as the product category is the fact that it allows to objectively manipulate the product details, which act as the intrinsic cues. By looking at the product details of a bicycle it is possible to objectively tell which product is superior and which inferior. Furthermore, bicycles are not too specific, which means that the general consumer does not need special knowledge to make a purchase decision. By setting the product details in the product description we can create an objective difference and a big contrast between the superior and inferior product.

The product picture of the bicycle will be the same, but it will differ with regards to its qualities, e.g., product information and details. The one bicycle description will be superior and the other one will be inferior.

Inspired by Diamantopoulos (Diamantopoulos, Thourmrungröje & Scherer, 2021) and Dachs-Wiesinger (2018) the following superior and inferior product descriptions have been transferred (see Table 1).

Superior Bicycle	Inferior Bicycle
» 2 frame sizes	» 1 frame size
» 4 colours: black, white, red, blue	» 2 colours: black, white
» Material: aluminium	» Material: steel
» Weight: 10kg	» Weight: 14kg
» Brake Types: 3	» Brake Types: 2
» Number of gears: 24	» Number of gears: 12
» Warranty length: 10 years	» Warranty length: 5 years

(Dachs-Wiesinger, 2018; Diamantopoulos, Thourmrunroje & Scherer, 2021)

Table 1: Superior & Inferior Product Description

In this experimental study a fictitious brand name is going to be used for the bicycle stimulus, since existing brands could bias the whole experiment as consumers may have different opinions and experiences with existing brands. Furthermore, the reputation of a certain brand may influence the participants perception of the stimulus as the brand reputation may have an impact on whether or not the participant trusts the provided intrinsic cues (product information). A low brand reputation may lead to questioning the trueness of the provided product information (Akdeniz, Calantone & Voorhees, 2013). By using a fictitious brand name, the bias created by existing brands is being eliminated and all respondents are at the same level regarding brand knowledge and a affecting brand reputation is excluded. It has been decided to go with the same fictitious brand name “Velios” as in a previous master thesis of Dachs-Wiesinger (2018) since this brand name has already been tested and results showed that Velios is a suitable brand name for the product category bicycles (Dachs-Wiesinger, 2018).

5.1.1.2. IV: Country of Origin

To pick two perfectly suitable COO is of utmost importance. Those two countries have to differ regarding their country image. The aim is to compare the two countries which differ significantly on their image. The one country should be evaluated significantly better than the other country regarding the image of the country. A big contrast between those two COO is the aim.

This way we receive a superior and an inferior country for our experimental design. Furthermore, it is important that both countries indeed produce bicycles in order to create a realistic experimental setting. But the COO and the bicycle production should not have a strong interaction as this could lead to bias. To make the final selection of COO for this experimental design as objective and to the purpose as possible the two COO have been chosen based on a pretest. The pretest did focus solely on the country image of the given countries.

Roth and Romeo (1992) define country image 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” (Roth & Romeo, 1992). To evaluate the country image the scale established by Roth and Romeo (1992) will be used. The country image is being defined by four dimensions: 1) Innovativeness, which is defined as the use of new technologies and engineering advances; 2) Design, which corresponds to appearance, style, colours, and variety; 3) Prestige, which accounts for exclusivity, status, and brand name reputation; 4) Workmanship, which describes reliability, durability, craftsmanship, and manufacturing quality (Roth & Romeo, 1992). (*Appendix A: Scales; Country Image by Roth & Romeo 1992*)

Prior to the actual pretest it was necessary to make a preselection of countries which come into question. The first step was to explore which European countries produce the product of interest, bicycles. It was decided to focus on the European market since a first research on bicycle producers showed that in nearly every European country bicycles are being manufactured. A broad research showed that the following European countries produce bicycles in general: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden, and Switzerland.

Due to general and current political topics, cultural proximity, and historical proximity, some countries have been pre-eliminated in order to minimize systematic error, which might result from imperfect aspects of the conducted research design (Babin & Zikmund, 2016). The aim of this study is to find a potential effect which is not biased by the chosen COO. After this pre-elimination the following European countries were left: Finland, Germany, Greece, Hungary, Italy, Poland, and Sweden.

To make a final decision on the two COO for this experimental research a pretest has been conducted, which is being discussed in the following subchapter.

5.1.1.2.1. *Pretest COO*

In this pretest the respondents were asked to rate the country image of each country in the list in order to find two countries which differ significantly on the country image. The country with the best country image has been chosen as the superior COO, and the country with the worst country image has been chosen as the inferior COO for this experimental research.

The pretest contained a total number of 21 people which responded to the questionnaire whereas one person had to be excluded from the analysis as this person is not Austrian and therefore did not meet the criteria. The remaining respondents ($N = 20$) contained 11 women (55%) and 9 men (45%), with a mean age of 28,75 years ($SD = 8.84$). Regarding their education 10 respondents had a university degree (50%), 9 respondents had finished high school (45%), and 1 person had an apprenticeship (5%).

The pretest contained the 7 preselected countries: Finland, Germany, Greece, Hungary, Italy, Poland, and Sweden. All seven countries do produce bicycles and therefore, have a relevant market.

To evaluate the country image of these chosen countries the respondents were asked to answer the 4-item scale on country image by Roth & Romeo (1992) on a 7-point likert-scale, regarding the dimensions of 1) Innovativeness, 2) Design, 3) Prestige, and 4) Workmanship (Roth & Romeo, 1992). (*Appendix A: Scales; Country Image by Roth & Romeo 1992*) For each country the country image value has been calculated as the mean of all four dimensions of the scale by Roth and Romeo (1992). The pretest showed the following results on country image: Finland ($M = 5.84$, $SD = 0.67$), Germany ($M = 5.71$, $SD = 0.61$), Greece ($M = 3.63$, $SD = 1.06$), Hungary ($M = 2.71$, $SD = 1.03$), Italy ($M = 5.07$, $SD = 0.79$), Poland ($M = 2.63$, $SD = 1.12$), and Sweden ($M = 5.96$, $SD = 0.68$). (*Appendix D: SPSS Output; Pretest COO*) Based on this analysis the country with the highest score on country image is Sweden ($M = 5.96$, $SD = 0.68$) and the country with the lowest score on country image is Poland ($M = 2.63$, $SD = 1.12$). Therefore, a paired-sample t-test has been conducted with the country images of Sweden and Poland, as it is a within group comparison and the observations are related. At this point it must be mentioned that the assumption of normal distribution is not given which might be due to the fact that the sample of the pretest is very small. Nevertheless, the results of the paired sample t-test show that the country images of Sweden and Poland differ significantly, [$T(19) = 10.972$, $p < 0.000$]. (*Appendix D: SPSS Output; Pretest COO*) Therefore, based on this small but sufficient pretest

it has been decided to set Sweden as the superior COO and Poland as the inferior COO in the experimental research-design.

As the product category and the final two COO have been chosen, the four stimuli for the experimental research were created. The same bicycle is being pictured in all four stimuli, but two differ with regards to the COO and each COO contains one product description of the superior and one description of the inferior product. (*Appendix B: Stimuli*)

5.1.2. Dependent Variables

For this experimental research it has been decided to take the willingness to pay for the given product as the main dependent variable. The price sensitivity meter by Van Westendorp is a well fitting instrument and perfectly suitable for this research proposal. Furthermore, a second dependent variable has been introduced, the willingness to buy. The second dependent variable has been integrated since the PSM does only implicate the price of the product but not whether the consumer would be willing to buy it. Both dependent variables are being discussed in more detail in the chapters below.

5.1.2.1. DV: Willingness to Pay (WTP)

The dependent variable in this experimental design is the consumers' willingness to pay (WTP). As a reminder, the consumers' WTP is the maximum amount of money he or she is willing to pay for a certain product (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012).

It has been decided to go with the consumers' WTP as the dependent variable, because "focusing on price rather than quality evaluations or purchase intentions as a dependent variable offers a (much) stricter test of COO effects because price represents the amount of money we must sacrifice to acquire something we desire" (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). Furthermore, price setting determines the success of the companies and therefore is being considered as a very important factor in marketing. In many cases companies set the prices for products too low. Hence, it is very important to know the consumers' WTP for the product before setting a price which might be too low. This investigation is especially important in cases where the development of the product was costly (Reinecke, Mühlmeier & Fischer, 2009).

To collect the consumers' WTP regarding a certain product the Van Westendorp Price Sensitivity Meter will be used. This model acts on the assumption that for consumers a reasonable price exists in every single product category. Consumers decide on the price by balancing the product value against its price. Furthermore, there is an upper and a lower bound to the consumers' WTP for a given product or a service. (Lipovetsky, 2006) The aim of the Van Westendorp PSM is to find an ideal price for a given product (Reinecke, Mühlmeier & Fischer, 2009).

The Van Westendorp PSM is about asking the respondents to evaluate the price of a given product regarding the following four dimensions: 1) too cheap, which means that the price for the given product is so cheap that it leads to questions about its quality; 2) cheap, the price for the given product seems to be cheap and seems like a bargain; 3) expensive, means that the product is not being considered cheap anymore but the consumer would still buy it; 4) too expensive, the price for the product is so high that the consumer stops considering buying it (Ceylana, Koseb & Aydin, 2014; Lipovetsky, 2006). A benefit of using the Van Westendorp PSM is the fact that it helps to "overcome the limitation of using a single question to capture consumers' price perception". By asking four questions regarding price evaluation instead of only one the cognitive elaboration is being encouraged (Diamantopoulos et al., 2021). As literature suggest not to use only one singular question to evaluate the consumers' WTP (Desmet, 2016), and furthermore, using only the expensive price level of the Van Westendorp PSM could lead to gross underestimation of the consumer WTP (Miller et al., 2011), and because we are looking for the maximum amount a respondent would be willing to pay for the given product, the average of expensive price and too expensive price will be our maximum consumers' WTP. (*Appendix A: Scales; Price Sensitivity Meter by Van Westendorp 1976*)

5.1.2.2. DV: Willingness to Buy (WTB)

As a second dependent variable the respondents are going to be asked their willingness to buy, their purchase probability of the pictured product. The respondents will be asked how likely they would purchase the given product. It is about the purchase probability of the given product (Juster, 1966).

WTB is of this research interest as there might be a relationship between the consumers' WTP and the WTB. There is a possibility that a higher willingness to buy leads also to a higher WTP (Bernard & Zarrouk-Karoui, 2014). Therefore, the respondents will be asked how likely it is on

a scale from 0% to 100% that they would indeed purchase the given product in a real-life situation. The aim of this variable is to determine if there is an interaction between the consumer WTP and their WTB.

5.1.3. Control Variables

To make sure that the effects which might be found are due to the relationship of independent and dependent variable, control variables are going to be included. It has been decided to go with five control variables, which have been used a lot in recent studies: product involvement, product ethnicity, price sensitivity, consumer ethnocentrism, and consumer xenocentrism. The scales of each construct are being adapted from researchers which developed the specific scale. These scales have been used and validated in the recent years in many studies. (*Appendix A: Scales*)

5.1.3.1. Product Involvement

The control variable product involvement sets focus on the consumers' personal relevance and personal affection with the product. A relevant product decision leads to higher motivation to make a careful purchase decision. In general, high consumer involvement means high personal relevance. Therefore, product involvement is being defined as “a person's perceived relevance of the object based on inherent needs, values, and interests” (Zaichowsky, 1985). The concept of product involvement relates to the extent to which a consumer cares about what he or she purchases. Followed by the motivation to make the right choice (Mittal, 1989). The 5-item scale created by Mittal (1989), which has been used in this study can be found in the appendix. (*Appendix A: Scales Product Involvement by Mittal 1989*)

5.1.3.2. Product Ethnicity

The second control variable, product ethnicity, is about “the stereotypical association of a generic product with a particular COO” (Usunier & Cestre, 2007). However, it has to be mentioned that consumers from different countries may have different product-country associations. The term “ethnicity” in the concept of product ethnicity refers to countries which are legitimate

places for the manufacturing, design, or consumption of the given product. Products are being associated with countries and conversely countries are also associated with products (Usunier & Cestre, 2007). To measure the product ethnicity a 4-item, product-country typicality scale, published by Halkias and Diamantopoulos, has been adapted (Halkias & Diamantopoulos, 2020). (*Appendix A: Scales Product Ethnicity by Halkias & Diamantopoulos 2020*)

5.1.3.3. Price Sensitivity

The third control variable is consumers price sensitivity. This concept represents an “individual difference variable describing how individual consumers react to price levels and changes in price levels” (Goldsmith & Newell, 1997). Consumer which are more price sensitive than others will show less demand of a given product as the price rises and conversely, consumers with a low price sensitivity will most likely not react as strong to price changes (Goldsmith & Newell, 1997). According to Wakefield and Inman price sensitivity may vary according to the category of the product. Consumers seem to be more price sensitive when it comes to functional products rather than for hedonic products (Wakefield & Inman, 2003). To measure the price sensitivity of the respondents the 3-items likert-scale by Wakefield and Inman has been adapted (2003). (*Appendix A: Scales*

Price Sensitivity by Wakefield & Inman 2003)

5.1.3.4. Consumer Ethnocentrism

The fourth control variable is consumer ethnocentrism as it has been found that consumer ethnocentrism has a remarkable impact on the consumers’ purchase behaviour (Verlegh & Steenkamp, 1999). Consumer ethnocentrism is about “the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products” (Shimp & Sharma, 1987). The fundamental idea of this construct is that an ethnocentric consumer beliefs buying imported products is wrong as it hurts the domestic economy (Shimp & Sharma, 1987). To measure the consumer ethnocentrism in this study the CETSCALE by Verlegh (2007) has been chosen and adapted (Verlegh, 2007). (*Appendix A: Scales Consumer Ethnocentrism by Verlegh 2007*)

5.1.3.5. Consumer Xenocentrism

The fifth control variable is the construct of consumer xenocentrism. Xenocentrism describes the consumers believe that foreign products are superior to domestic products. Consumers which are xenocentric think that foreign products, lifestyles, and even ideas are better than domestic counterparts. It is about favouring out-groups with additional negative perceptions of one's own in-group (Balabanis & Diamantopoulos, 2016; Diamantopoulos, Davydova & Arslanagic-Kalajdzic, 2019). Consumer xenocentrism may in general influence the perception and the WTP for foreign products and therefore it has been found to be an important control variable which might influence the experimental design. To measure the consumer xenocentrism the C-XENSCALE by Balabanis & Diamantopoulos (2016) has been chosen and applied (Balabanis & Diamantopoulos, 2016). (*Appendix A: Scales; Consumer Xenocentrism by Balabanis & Diamantopoulos 2016*)

5.2. Data Collection

The empirical study has been conducted in Austria due to proximity and because the chair of the University of Vienna. In addition, by choosing Austria as the research country we can minimize translation error as the researcher does master both languages, German, and English, which minimizes necessary costs and resources. Furthermore, as Austria is being located in central Europe, import and export play an important role in the Austrian economy. The import-rate of Austria raised from 34.7% in 1995 up to 49.0% in 2020 which is quite a vast growth-rate (Statistik Austria, 2022). Due to this fact it has been assumed that Austrian consumers are quite used to evaluate and buy foreign products. This might contribute to the external validity of this study as for Austrian consumers it is quite normal and day-to-day to buy products, which have been imported from different countries and therefore do have stronger country images.

The applied measurement instrument in this study is an online questionnaire as such questionnaires make it possible to reach a large audience quite fast and cost effective. Due to the small costs and the higher reachability the possibility of obtaining a large sample grows. Furthermore, online surveys enable visual presentations of the stimuli in an easy way (Babin & Zikmund, 2016). The platform which has been used to develop the online questionnaire was SoSci-Survey, as students of the University of Vienna do have access to this platform and furthermore,

the platform does provide all the necessary features to conduct such a survey (SoSci-Survey, 2022).

Prior to the final data collection, a pretest of the questionnaire has been conducted. The pretest has been filled out by 15 respondents at first. As a second step the suggestions and comments made by the respondents has been analysed and based on the minor feedback it has been decided to stop the pretest. Based on the few notes it has been assumed that the instrument seems to be performing quite good and does not need further pretesting. Most of the suggestions and comments were of a general manner, e.g., what if the respondent is not really into bicycles, is the bicycle frame being measured in inch, etc. Some further suggestions have been made regarding the income-scale and the educational status. Some of the suggestions have been adapted and some have not, as they did not seem to be necessary but rather a question of personal taste recommendation.

After the successful execution of the pretest and the final adaptations of the feedback the questionnaire has been finalised. Furthermore, it has been assured that the final questionnaire is being compatible for both, computers, and smartphones. The final questionnaire took on average 8 minutes to be completed which is an acceptable timeframe. Therefore, we can assume that no bias has been introduced due to a too long questionnaire which might cause tiredness and inattention. The questionnaire had the following composition. First, an introduction stated some important key facts, like e.g., time, anonymity, contact possibility, etc. After the introduction page the respondents did get to see the stimulus. Due to the experimental design which has been explained above the respondents were randomly allocated to one of the four experimental groups and did only see one of the four stimuli. On the same page the respondents were asked to state the four price levels of the Van Westendorp PSM (Lipovetsky, 2006) and their WTB the given product (Juster, 1966). On the third page the respondents were asked to state their evaluation regarding the country image of the two countries Sweden and Poland based on the scale of Roth and Romeo (1992). On the fourth page the control variables price sensitivity (Wakefield & Inman, 2003), product involvement (Mittal, 1989), and product ethnicity (Halkias & Diamantopoulos, 2020) for both countries, Sweden and Poland, were retrieved. The fifth page was about the additional control variables consumer ethnocentrism (Verlegh, 2007), and consumer xenocentrism (Balabanis & Diamantopoulos, 2016). Last, the sixth page did contain questions regarding the demographics of the respondents. (*Appendix C: Questionnaire*)

The applied sampling method was the snowball sampling. First, a few individuals are being identified and asked to respond to the questionnaire and to forward it to others. This way the number of respondents is getting bigger as each individual identifies further respondents (Iacobucci & Churchill, 2018). Hence, family and friends were kindly asked to complete the questionnaire and to forward it to others. To avoid a sophomore sample, members of an older cohort were explicitly asked to share and spread the questionnaire among their social group. This way it was possible to generate additional responses by people which are not students anymore. Furthermore, to reach a bigger number of friends and acquaintances the link to the questionnaire has been posted on the personal Facebook- and Instagram-account. This way it was possible to reach a large number of people quite fast. It has been decided to collect the data by this sampling method as it is relatively cost- and resource efficient and it has been assumed that people from the own social group are more likely to complete the questionnaire than unknown people. It is about trying to get a response rate as high as possible for the amount of resources which were available.

The data collection period was three weeks, from the 18.11.2021 till the 08.12.2021. Prior it has been decided that a minimum of 200 responses (50 per experimental condition) should be generated to enable proper statistical analysis. After three weeks the number of responses was over 270 responses and therefore the data collection has been stopped successfully.

5.3. Sample

After the data collection was completed, the sample contained 270 respondents. As expected, a few respondents had to be excluded from the final sample for the analysis, due to several reasons. 20 respondents stated a different nationality than Austria and therefore had to be excluded, as the country of interest is Austria. 10 respondents failed the transitivity check on the pricing-footprint and hence got excluded too. Afterwards the pricing-footprint has been checked regarding outliers, and in this sense 7 respondents were excluded as they fell outside of the 3 SD cutline. Additionally, 9 respondents were excluded, because their pricing-footprint evaluations did not meet the reality in terms of bicycle-prices. A short research regarding bicycle-prices has been undertaken and revealed that it is not possible to acquire a functional bicycle at such a low price in Austria. Therefore, to enhance external validity they have been excluded based on personal judgment. In the end, after the data cleansing, the final sample contains 227 respondents

with at least 50 respondents per experimental condition (*Appendix D: SPSS Output; Experimental Conditions*). The sample consists of 50.2% females, with an average age of 32 years ($M = 31.69$, $SD = 10.74$), and an average net income of € 1843.46,- per month ($M = 1843.46$, $SD = 1240.11$). In terms of education, 22.5% of the sample have not finished high school, 28.6% have completed high school, 47.1% have a university degree and 1.8% have some other education. Of the whole sample 69.6% are being employed, and 20.3% are students. (*Appendix D: SPSS Output; Sample Characteristics*)

6. Results

The following paragraphs are about the analysis of the collected data based on the theory-based hypothesis. As the very first step the reliability of the applied scales has to be checked before continuing with some further analysis, i.e., manipulation check and main hypothesis testing.

6.1. Reliability Check

Several scales have been used in this study and therefore it is necessary to check for their internal consistency by calculating the coefficient alpha (α) for each scale separately. The coefficient alpha is an estimate which is being applied most commonly for multi-item scales. In principle, the coefficient α is being categorized the following way: α between 0.80 and 0.96 = very good reliability, α between 0.70 and 0.80 = good reliability, α between 0.60 and 0.70 = fair reliability, and if α is below 0.60 then the scale is being considered to have poor reliability. (Babin & Zikmund, 2016). Thus, for the most scales the coefficient α is being calculated by applying the Cronbach's alpha reliability-check. However, since consumer xenocentrism is being measured by a two-dimensional scale, the linear composites formula by Nunnally and Bernstein (1978) has been utilized to calculate the coefficient α .

Scale	Items	α
Country Image Sweden (Roth & Romeo, 1992)	4	0.785
Country Image Poland (Roth & Romeo, 1992)	4	0.790
Product Involvement (Mittal, 1989)	5	0.783
Product Ethnicity Sweden (Halkias & Diamantopoulos, 2020)	4	0.917
Product Ethnicity Poland (Halkias & Diamantopoulos, 2020)	4	0.929
Price Sensitivity (Wakefield & Inman, 2003)	3	0.646
Consumer Ethnocentrism (Verlegh, 2007)	5	0.888
Consumer Xenocentrism (Balabanis & Diamantopoulos, 2016)	10	0.888

Table 2: Reliability Check of Scales

The scales product ethnicity (Halkias & Diamantopoulos, 2020), consumer ethnocentrism (Verlegh, 2007), and consumer xenocentrism (Balabanis & Diamantopoulos, 2016) achieved a very good reliability, the scaled country image (Roth & Romeo, 1992) and product involvement (Mittal, 1989) achieved a good reliability, and solely the scale price sensitivity (Wekefield & Inman, 2003) reached only a fair reliability (see Table 2). Therefore, to sum up, the scales and constructs chosen will be implemented in the main analysis as expected since all scaled achieved at least a fair reliability.

6.2. Manipulation Check

This manipulation check is concerned with the issue, whether the two COO were indeed perceived as different. Based on an earlier pretest, Sweden has been chosen to represent the superior COO and Poland the inferior COO for this experimental design. As stated before, the country image is being measured by the 4-items country image scale by Roth and Romeo (1992). Each respondent had to state their country image regarding both COO, Sweden, and Poland. Therefore, the country image check will be a within-subject test, by comparing the average country image for Sweden with the average country image for Poland. In this manner, the assumptions for a paired sample t-test have been checked and confirmed and further, the t-test conducted. The paired sample t-test revealed a highly significant difference in the average means of the country image for Sweden ($M = 5.46$, $SD = 0.87$) and Poland ($M = 3.44$, $SD = 0.90$). As expected, the country image for Sweden was evaluated significantly higher than the country image of Poland [$t(226) = 23.01$, $p < 0.001$, Cohen's $d = 1.527$]. Hence, we can confirm the manipulation check, as the theoretically more favourable country, Sweden, indeed achieved a higher evaluation on the country image scale than the less favourable country, Poland. Due to the confirmation of the manipulation check the further main analysis and hypothesis testing can be conducted. (*Appendix D: SPSS Output; Manipulation Check*)

6.3. Main Analysis

The main analysis is dedicated to the testing of the hypothesis, which have been formulated and explained above. Now, it is about applying the data to the hypothesis and trying to find some answers.

6.3.1. H1a: Superior Product

Hypothesis H1a addresses the question, whether there are differences in the consumers price evaluations of a superior product, which differs only with regards to its COO (see Figure 2). Based on the cue utilization theory and the accessibility-diagnostics framework, as stated above, H1a hypothesises a significant difference in the consumers' WTP for the superior product from the superior COO [$WTPG1 > WTPG2$]. In total, 117 respondents were exposed to the superior product version of the bicycle. Whereof 52.1% saw the superior product with the inferior COO, Poland, and 47.9% the superior product from the superior COO, Sweden.

As a first step this analysis aims to check for differences on the four levels of the pricing-footprint factored by the COO. Therefore, a MANCOVA has been chosen, and the assumptions checked and confirmed. The MANCOVA includes the COO as the independent variable, the four levels of the pricing footprint as the dependent variables, and additionally, incorporates the control variables product involvement, product ethnicity, price sensitivity, consumer ethnocentrism, and consumer xenocentrism to check whether they confound the results. By using Pillai's trace, the multivariate tests of the MANCOVA show no significant difference of COO on the four dependent levels of the pricing footprint [$V = 0.044$, $F(4, 106) = 1.216$, $p > 0.1$]. Neither the control variables were able to reveal any significant impact on the four levels of the pricing footprint (see Table 3). (*Appendix D: SPSS Output; Main Analysis: H1a – Superior Product*)

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.069	1.959	4.000	106.000	0.106
Consumer Ethnocentrism	0.027	0.725	4.000	106.000	0.577
Consumer Xenocentrism	0.013	0.360	4.000	106.000	0.837
Product Involvement	0.064	1.807	4.000	106.000	0.133
Price Sensitivity	0.033	0.906	4.000	106.000	0.463
Product Ethnicity Sweden	0.002	0.054	4.000	106.000	0.995
Product Ethnicity Poland	0.047	1.301	4.000	106.000	0.274
COO	0.044	1.216	4.000	106.000	0.309
Adjusted R ² (Too Cheap) = 0.016 Adjusted R ² (Cheap) = 0.037 Adjusted R ² (Expensive) = -0.003 Adjusted R ² (Too Expensive) = 0.035					

Table 3: MANCOVA Multivariate Tests H1a

As a second step this analysis focuses on the consumer's WTP for the superior product and whether the WTP differs with regards to the COO. Therefore, a ANCOVA has been chosen to be applied, the assumptions have been checked and confirmed. The ANCOVA employs as before the COO as the independent variable and the WTP as the dependent variable. As before, the control variables product involvement, product ethnicity, price sensitivity, consumer ethnocentrism, and consumer xenocentrism have been included to control for confounding influences. The test of between-subject effects of the ANCOVA shows no significant difference of the COO on the dependent variable consumers' WTP for the superior product [$F(1) = 2.056$, $p > 0.1$]. The consumers' WTP for the superior Swedish bicycle ($M = 803.39$, $SD = 355.02$) did not differ significantly from the WTP for the superior Polish bicycle ($M = 716.68$, $SD = 323.23$). Of the six included control variables only the product involvement obtained a significant effect [$F(1) = 4.251$, $p < 0.05$] (see Table 4). By plotting the control variable product in-

volvement and the dependent variable WTP together, it can be detected that they have a positive relationship. A higher product involvement in the product category bicycles is associated with a higher WTP for the superior product. (*Appendix D: SPSS Output; Main Analysis: H1a – Superior Product*)

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1094344.066 ^a	7	156334.867	1.382	0.220
Intercept	816017.157	1	816017.157	7.216	0.008
Consumer Ethnocentrism	27027.066	1	27027.066	0.239	0.626
Consumer Xenocentrism	35386.190	1	35386.190	0.313	0.577
Product Involvement	480699.903	1	480699.903	4.251	0.042
Price Sensitivity	270867.116	1	270867.116	2.395	0.125
Product Ethnicity Sweden	22410.583	1	22410.583	0.198	0.657
Product Ethnicity Poland	111639.494	1	111639.494	0.987	0.323
COO	232460.726	1	232460.726	2.056	0.155
^a Adjusted R ² = 0.023					

Table 4: ANCOVA Test of Between-Subject Effects H1a

To sum these results up, in terms of the superior product version of the bicycle the COO had no significant impact on the pricing-footprint. Furthermore, no significant difference could be detected in terms of the consumers' WTP for the superior bicycle differing only with regards to its COO. These results suggest that if consumers are exposed to a product, which is superior in terms of its product characteristics, the WTP for the given product will not differ based on its COO. However, a higher product involvement relates to a significantly higher WTP for a superior product. Therefore, we have to reject the hypothesis H1a, because the WTP for the superior product from a more favourable country was not significantly higher than the WTP for the same product from a less favourable country.

6.3.2. H1b: Inferior Product

As the hypothesis above, hypothesis H1b addresses the issue, whether consumers have a different price evaluation of a given inferior product, which differs only in terms of its COO (see Figure 3). By applying the theoretical background of the cue utilization theory and the accessibility-diagnostics framework, hypothesis H1b expects as above a significant difference in the consumers' WTP for the inferior product with the superior COO compared to the same inferior product with the inferior COO [$WTPG3 > WTPG4$]. All together 110 respondents were exposed to the inferior product. 54.5% of those respondents were allocated to the inferior product with the superior COO, Sweden, and 45.5% to the inferior product with the inferior COO, Poland.

To check for differences on the pricing-footprint with regards to the different COO, a MANCOVA has been conducted and the assumptions therefore checked. Unfortunately, the assumption of homogeneity of covariances has been violated, but the remaining assumptions have all been confirmed. The MANCOVA includes the products' COO as the independent variable and the dependent variable is the pricing-footprint. As in the analysis above, the control variables product involvement, product ethnicity, price sensitivity, consumer ethnocentrism, and consumer xenocentrism have been included to control for confounding influences. By using Pillai's trace, no significant differences of COO on the four levels of the pricing-footprint could be detected by the multivariate tests of the MANCOVA [$V = 0.046$, $F(4, 99) = 1.195$, $p > 0.1$]. With regards to the control variables only product involvement turned out to have a significant impact ($p < 0.1$) on the pricing footprint [$V = 0.087$, $F(4, 99) = 2.365$, $p < 0.1$] (see Table 5). By checking the tests of between-subject effects the product involvement had a significant impact ($p < 0.05$) on the levels of too cheap, cheap, and expensive price of the pricing-footprint. By plotting the product involvement and the pricing-footprint, a positive relationship can be detected for each level of the pricing-footprint, which means that a higher product involvement is being associated as well with a higher evaluation of each level of the pricing-footprint. (*Appendix D: SPSS Output; Main Analysis: H1b – Inferior Product*)

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.067	1.767	4.000	99.000	0.141
Consumer Ethnocentrism	0.055	1.440	4.000	99.000	0.226
Consumer Xenocentrism	0.029	0.751	4.000	99.000	0.560
Product Involvement	0.087	2.365	4.000	99.000	0.058
Price Sensitivity	0.034	0.873	4.000	99.000	0.483
Product Ethnicity Sweden	0.026	0.666	4.000	99.000	0.617
Product Ethnicity Poland	0.040	1.040	4.000	99.000	0.390
COO	0.046	1.195	4.000	99.000	0.318
Adjusted R ² (Too Cheap) = 0.077 Adjusted R ² (Cheap) = 0.035 Adjusted R ² (Expensive) = 0.012 Adjusted R ² (Too Expensive) = -0.030					

Table 5: MANCOVA Multivariate Tests H1b

Furthermore, a ANCOVA has been conducted to check for differences on the consumers' WTP for the inferior product dependent on the two different COO. The relevant assumptions to conduct a ANCOVA have been checked and confirmed. As in the analysis above, the ANCOVA includes as the independent variable the COO and as the dependent variable the consumers' WTP for the bicycle. To control for confounding influences on the outcome, the control variables product involvement, product ethnicity, price sensitivity, consumer ethnocentrism, and consumer xenocentrism have been included. The test of between-subject effects of the ANCOVA reveals no significant differences on the WTP based on the independent variable COO [$F(1) = 0.026$, $p > 0.1$]. The consumers' WTP for the inferior Swedish bicycle ($M = 676.60$, $SD = 354.04$) did not differ significantly from the WTP for the inferior Polish bicycle ($M = 687.99$, $SD = 359.69$). But the control variable product involvement shows a significant impact ($p < 0.1$) on the dependent variable WTP [$F(1) = 3.381$, $p < 0.1$] (see Table 6). By plotting the WTP with the product involvement a positive relationship can be detected, showing that a higher

product involvement is associated with a higher WTP. (*Appendix D: SPSS Output; Main Analysis: H1b – Inferior Product*)

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	690914.871 ^a	7	98702.124	0.772	0.612
Intercept	502017.406	1	502017.406	3.925	0.050
Consumer Ethnocentrism	5472.409	1	5472.409	0.043	0.837
Consumer Xenocentrism	62967.086	1	62967.086	0.492	0.485
Product Involvement	432441.423	1	432441.423	3.381	0.069
Price Sensitivity	10566.151	1	10566.151	0.083	0.774
Product Ethnicity Sweden	81421.726	1	81421.726	0.637	0.427
Product Ethnicity Poland	15955.439	1	15955.439	0.125	0.725
COO	3357.054	1	3357.054	0.026	0.872
^a Adjusted R ² = -0.015					

Table 6: ANCOVA Test of Between-Subject Effects H1b

Summing up, in case of the inferior product version of the bicycles' COO had no significant influence neither on the pricing-footprint, nor on the WTP. These results imply that if consumers are exposed to an inferior product, which differs only in terms of COO, the pricing evaluations are not being influenced significantly. But as before, a higher product involvement was associated with a higher WTP for the bicycle. Hence, we have to reject the hypothesis H1b, because the WTP for the inferior product did not differ significantly with regards to its COO.

6.3.3. H2a: Superior COO

The hypothesis H2a addresses the matter, whether consumer have a different pricing evaluation of a product with a superior COO but differs with regards to its product quality (see Figure 4). By applying the theoretical foundation of the cue utilization theory and the accessibility-diagnostics framework, hypothesis H2a expects a significantly higher consumers' WTP for the superior product compared to the inferior version of the product from the same superior COO [$WTPG1 > WTPG3$]. Of the whole sample 116 respondents were exposed to the product with the superior COO Sweden. Whereof, 48.3% of these respondents were allocated to the superior version of the Swedish bicycle and 51.7% to the inferior counterpart.

As in the previous hypothesis check, a MANCOVA has been conducted to check for differences in the pricing-footprint with regards to a product's superiority or inferiority and the assumptions have been checked. Unfortunately, the assumption of homogeneity of covariance had to be violated, but the other assumptions have been confirmed. The MANCOVA includes the products' characteristics as the independent variable and the dependent variable is as before the pricing-footprint. The control variables, product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been included again to control for confounding influences. By using Pillai's trace, there could no significant difference of product characteristics on the pricing-footprint be detected by the multivariate tests of the MANCOVA [$V = 0.038$, $F(4, 105) = 1.039$, $p > 0.1$]. Regarding the control variables product involvement [$V = 0.081$, $F(4, 105) = 2.309$, $p < 0.1$] and price sensitivity [$V = 0.074$, $F(4, 105) = 2.084$, $p < 0.1$] revealed a significant impact on the pricing-footprint (see Table 7). By checking the tests of between-subject effects it can be seen that the product involvement had a significant impact ($p < 0.05$) on all levels of the pricing-footprint and by plotting the pricing-footprint with the product involvement a positive relationship is being revealed, which means that a higher product involvement is associated with a higher evaluation of the price on each level of the pricing-footprint. Regarding the price sensitivity, the test of between-subject effect shows that the price sensitivity has a significant impact on the levels of expensive and too expensive price. By plotting the price sensitivity and the two significant levels of the pricing-footprint a negative relationship is being revealed. This negative relationship indicates that a higher price sensitivity is being associated with a lower price evaluation of the expensive and too expensive price levels. (Appendix D: SPSS Output; Main Analysis: H2a – Superior COO)

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.083	2.368	4.000	105.000	0.057
Consumer Ethnocentrism	0.023	0.618	4.000	105.000	0.651
Consumer Xenocentrism	0.026	0.713	4.000	105.000	0.585
Product Involvement	0.081	2.309	4.000	105.000	0.063
Price Sensitivity	0.074	2.084	4.000	105.000	0.088
Product Ethnicity Sweden	0.036	0.990	4.000	105.000	0.416
Product Ethnicity Poland	0.041	1.116	4.000	105.000	0.353
Product	0.038	1.039	4.000	105.000	0.391
Adjusted R ² (Too Cheap) = 0.047 Adjusted R ² (Cheap) = 0.079 Adjusted R ² (Expensive) = 0.097 Adjusted R ² (Too Expensive) = 0.092					

Table 7: MANCOVA Multivariate Tests H2a

In addition, an ANCOVA has been conducted to test for differences in the WTP for the Swedish product varying with regards to its product characteristics. The relevant assumptions have been checked, and mostly confirmed. Only the assumption for same slope of the regression line for the control variable price sensitivity could not be confirmed. The ANCOVA includes the product's characteristics as the independent variable and the consumers' WTP as the dependent variable. Price sensitivity, product involvement, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been included as control variables to control for confounding impacts. The conducted test of between-subject effects of the ANCOVA reveals no significant difference on the consumers' WTP based on the products superiority or inferiority [$F(1) = 2.471$, $p > 0.1$]. The consumers' WTP for the Swedish superior bicycle ($M = 803.39$, $SD = 355.02$) was not significantly higher than the WTP for the Swedish inferior bicycle ($M = 676.60$, $SD = 354.04$). Of the six included control variables, two turned out significantly, product involvement [$F(1) = 5.730$, $p < 0.05$] and price sensitivity [$F(1) = 6.466$, $p < 0.05$] (see Table 8).

By plotting both the control variables product involvement and price sensitivity against the dependent variable WTP, it can be detected that product involvement has a positive relationship with WTP and price sensitivity a negative relationship. A higher product involvement is associated with a higher willingness to pay for the product at hand, and a higher price sensitivity of the consumers is associated with a lower WTP. (*Appendix D: SPSS Output; Main Analysis: H2a – Superior COO*)

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2293296.677 ^a	7	327613.811	2.831	0.010
Intercept	948435.040	1	948435.040	8.195	0.005
Consumer Ethnocentrism	52005.113	1	52005.113	0.449	0.504
Consumer Xenocentrism	16660.963	1	16660.963	0.144	0.705
Product Involvement	663141.533	1	663141.533	5.730	0.018
Price Sensitivity	748316.438	1	748316.438	6.466	0.012
Product Ethnicity Sweden	178898.076	1	178898.076	1.546	0.216
Product Ethnicity Poland	145422.239	1	145422.239	1.256	0.265
Product	285939.896	1	285939.896	2.471	0.119
^a Adjusted R ² = 0.100					

Table 8: ANCOVA Test of Between-Subject Effects H2a

To sum it up, in case of the Swedish bicycle the product characteristics, superiority or inferiority, had neither a significant impact on the pricing-footprint, nor on the WTP. However, a product involvement had a significant positive impact on the WTP and price sensitivity a significant negative impact. These results suggest that when it comes to a bicycle from Sweden those consumers which have a higher product involvement stated a higher WTP for the Swedish bicycle and those consumers which are more sensitive to price stated a lower WTP. But the objective better product did not achieve a higher consumers' WTP based on the provided intrinsic cues.

Therefore, we have to reject the hypothesis H2a, because the WTP for a product from a more favourable country was not higher for the product with the better product characteristics.

6.3.4. H2b: *Inferior COO*

The hypothesis H2b is about whether consumer have different pricing evaluations of a product with an inferior COO, but which differs with regards to its product quality (see Figure 5). After applying the theoretical background of the cue utilization theory and the accessibility-diagnostics framework, hypothesis H2b has been formulated and expects a significantly higher WTP for the superior product in comparison to the inferior counterpart from the same inferior COO [$WTPG2 > WTPG4$]. In total, 111 respondents were allocated to the product with the inferior COO Poland. Whereof, 55% of those respondents were confronted with the superior product version and 45% with the inferior product version.

To check for differences in the pricing-footprint with regards to the product's superiority or inferiority a MANCOVA has been conducted and the assumptions checked. Unfortunately, the assumption of homogeneity of covariance could not be met, but the remaining assumption were all confirmed. The independent variable of the MANCOVA is the product with its quality characteristics and the dependent variable is the pricing-footprint. As before, to control for confounding influences the control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been incorporated in the model. By using Pillai's trace, no significant difference of product characteristics on the pricing-footprint could be detected by the multivariate tests of the MANCOVA [$V = 0.048$, $F(4, 100) = 1.265$, $p > 0.1$]. Neither the control variables turned out significantly (see Table 9). (*Appendix D: SPSS Output; Main Analysis: H2b – Inferior COO*)

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.044	1.158	4.000	100.000	0.334
Consumer Ethnocentrism	0.060	1.595	4.000	100.000	0.181
Consumer Xenocentrism	0.006	0.157	4.000	100.000	0.960
Product Involvement	0.048	1.262	4.000	100.000	0.290
Price Sensitivity	0.020	0.499	4.000	100.000	0.736
Product Ethnicity Sweden	0.025	0.652	4.000	100.000	0.627
Product Ethnicity Poland	0.028	0.716	4.000	100.000	0.583
Product	0.048	1.265	4.000	100.000	0.289
Adjusted R ² (Too Cheap) = 0.003 Adjusted R ² (Cheap) = -0.002 Adjusted R ² (Expensive) = -0.011 Adjusted R ² (Too Expensive) = -0.041					

Table 9: MANCOVA Multivariate Tests H2b

Additionally, a ANCOVA has been applied to test for differences in the consumers' WTP for the Polish bicycle varying only with regards to the product characteristics. The according assumptions have been checked and all confirmed. The ANCOVA includes the product's characteristics as the independent variable and the WTP as the dependent variable. To control for confounding impact, the control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been included. The applied test of between-subject effects of the ANCOVA shows that the two different product versions have no significant impact neither on the WTP [$F(1) = 0.109$, $p > 0.1$], nor the control variables. The consumers' WTP for the Polish superior bicycle ($M = 716.68$, $SD = 323.23$) was not significantly higher than the WTP for the Polish inferior bicycle ($M = 687.99$, $SD = 359.69$) (see Table 10). (*Appendix D: SPSS Output; Main Analysis: H2b – Inferior COO*)

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	422169.947 ^a	7	60309.992	0.509	0.826
Intercept	514095.822	1	514095.822	4.337	0.040
Consumer Ethnocentrism	1549.276	1	1549.276	0.013	0.909
Consumer Xenocentrism	11911.307	1	11911.307	0.100	0.752
Product Involvement	141662.506	1	141662.506	1.195	0.277
Price Sensitivity	119200.046	1	119200.046	1.006	0.318
Product Ethnicity Sweden	4377.661	1	4377.661	0.037	0.848
Product Ethnicity Poland	23994.760	1	23994.760	0.202	0.654
Product	12870.154	1	12870.154	0.109	0.742
^a Adjusted R ² = -0.032					

Table 10: ANCOVA Test of Between-Subject Effects H2b

In conclusion, regarding the Polish bicycle the products superiority or inferiority had not significant impact neither on the pricing-footprint, nor on the WTP. These results indicate that consumers are not willing to pay significantly more or less for a bicycle from Poland depending on its characteristics. Hence, we have to reject hypothesis H2b, as the WTP for the superior product from Poland was not significantly higher than for the inferior counterpart.

6.3.5. H3a: Superiority vs. Inferiority

The hypothesis H3a turns to the question whether the consumer pricing evaluations will differ if one product, which is in terms of its product qualities and COO superior and the other product being inferior in terms of its product qualities and COO (see Figure 6). By applying the theoretical foundation of the cue utilization theory and the accessibility-diagnostics framework H3a has been hypothesized and expects a significantly higher WTP for the superior than for the inferior combination [$WTPG1 > WTPG4$]. All together of 106 respondents 52.8% were exposed to the superior and 47.2% to the inferior combination.

To check for differences in the pricing-footprint with regards to the superior and inferior product combination a MANCOVA has been conducted and the assumptions therefore checked. Unfortunately, the assumption of homogeneity of covariance could not be met, but the remaining were all confirmed. The MANCOVA contains the independent variable product combinations, the superior and inferior combination, and the dependent variable is the pricing-footprint. As in the prior analysis, to control for confounding influences the control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been incorporated in the model. By using Pillai's trace, no significant difference in the pricing-footprint could be detected based on the superior and inferior combination of COO and product characteristics [$V = 0.036$, $F(4, 95) = 0.900$, $p > 0.1$]. Neither the control variables were significant (see Table 11). (*Appendix D: SPSS Output; Main Analysis: H3a – Superiority vs. Inferiority*)

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.054	1.368	4.000	95.000	0.251
Consumer Ethnocentrism	0.050	1.246	4.000	95.000	0.297
Consumer Xenocentrism	0.011	0.269	4.000	95.000	0.897
Product Involvement	0.066	1.687	4.000	95.000	0.159
Price Sensitivity	0.068	1.731	4.000	95.000	0.150
Product Ethnicity Sweden	0.047	1.165	4.000	95.000	0.331
Product Ethnicity Poland	0.024	0.575	4.000	95.000	0.681
Product Combination	0.036	0.900	4.000	95.000	0.467
Adjusted R ² (Too Cheap) = 0.065 Adjusted R ² (Cheap) = 0.048 Adjusted R ² (Expensive) = 0.051 Adjusted R ² (Too Expensive) = 0.032					

Table 11: MANCOVA Multivariate Tests H3a

In addition, a ANCOVA has been conducted to test for differences in the consumers' WTP for the superior and inferior product combination. The according assumptions have been checked and all confirmed. The ANCOVA incorporates the product combination of a superior and an inferior combination as the independent variable and the WTP as the dependent variable. The control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been incorporated to control for confounding impact. The applied test of between-subject effects of the ANCOVA reveals no significant difference on the consumers' WTP based on the combination of superior or inferior product and COO [$F(1) = 1.871, p < 0.1$]. The consumers' WTP for the superior product with the superior COO Sweden ($M = 803.39, SD = 355.02$) was not significantly higher than for the inferior product with the inferior COO Poland ($M = 687.99, SD = 359.69$). Of the included control variables only product involvement turned out to have a significant influence ($p < 0.1$) on the dependent variable [$F(1) = 3.286, p < 0.1$] (see Table 12). By plotting the product involvement with the WTP a positive relationship can be seen, which means that a higher product involvement relates to a higher WTP. (*Appendix D: SPSS Output; Main Analysis: H3a – Superiority vs. Inferiority*)

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1474463.544 ^a	7	210637.649	1.699	0.118
Intercept	458372.646	1	458372.646	3.698	0.057
Consumer Ethnocentrism	228190.799	1	228190.799	1.841	0.178
Consumer Xenocentrism	58856.625	1	58856.625	0.475	0.492
Product Involvement	407383.284	1	407383.284	3.286	0.073
Price Sensitivity	64187.943	1	64187.943	0.518	0.474
Product Ethnicity Sweden	40981.021	1	40981.021	0.331	0.567
Product Ethnicity Poland	13532.461	1	13532.461	0.109	0.742
Product Combination	231944.542	1	231944.542	1.871	0.174
^a Adjusted R ² = 0.045					

Table 12: ANCOVA Test of Between-Subject Effects H3a

In conclusion, regarding the superior and inferior product and COO combination, the superior combination did not achieve a significantly higher WTP than the inferior combination, neither for the pricing-footprint. These results show that the combination of a more favourable country and a product, which is objectively better, leads not to a higher consumers' WTP for it. But, as the results before show, a higher consumer involvement in the product category bicycles does increase the WTP. In this sense, we have to reject the hypothesis H3a, because the WTP for the superior product with the Swedish COO was not significantly higher than the WTP for the inferior product with the Polish COO.

6.3.6. *H3b: Mixed Superiority and Inferiority*

The hypothesis H3b is concerned with the diagonal effect of the experimental design, whether the consumers' pricing-footprint evaluations differ if the superior product has the inferior COO and the inferior product the superior COO (see Figure 7). By applying the theoretical foundation of the cue utilization theory and the accessibility-diagnostics framework H3b has been formulated and expects a higher WTP for the superior product with the inferior COO in comparison to the inferior product with the superior COO [$WTPG2 > WTPG3$]. Of the subsample in this scenario, containing 121 respondents in total, 49.6% were exposed to the inferior product with the superior COO Sweden, and 50.4% were exposed to the superior product with the inferior COO Poland.

To check for differences on the pricing-footprint with regards to the superior product with the inferior COO and the inferior product with the superior COO a MANCOVA has been conducted and the assumptions therefore checked and confirmed. The MANCOVA contains the independent variable product combinations as explained above, and the dependent variable pricing-footprint. As before, to control for confounding influences the control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been included. By using Pillai's trace no significant difference in the pricing-footprint could be detected based on the product combinations [$V = 0.054$, $F(4, 110) = 1.574$, $p < 0.1$]. The control variable product involvement revealed solemnly a significant difference ($p < 0.1$) with regards to the independent variable [$V = 0.072$, $F(4, 110) = 2.145$, $p < 0.1$] (see Table 13). By checking the tests of between-subject effects it can be detected that on all levels of the pricing footprint the product involvement revealed a significant impact ($p < 0.1$). By plotting

the pricing-footprint and the control variable product involvement a positive relationship can be identified. A higher product involvement is associated with a higher evaluation of each level of the pricing-footprint. (*Appendix D: SPSS Output; Main Analysis: H3b – Mixed Superiority and Inferiority*)

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.070	2.057	4.000	110.000	0.091
Consumer Ethnocentrism	0.012	0.345	4.000	110.000	0.847
Consumer Xenocentrism	0.012	0.333	4.000	110.000	0.856
Product Involvement	0.072	2.145	4.000	110.000	0.080
Price Sensitivity	0.047	1.365	4.000	110.000	0.251
Product Ethnicity Sweden	0.018	0.510	4.000	110.000	0.729
Product Ethnicity Poland	0.017	0.479	4.000	110.000	0.751
Product Combination	0.054	1.574	4.000	110.000	0.186
Adjusted R ² (Too Cheap) = 0.021					
Adjusted R ² (Cheap) = 0.027					
Adjusted R ² (Expensive) = -0.009					
Adjusted R ² (Too Expensive) = -0.021					

Table 13: MANCOVA Multivariate Tests H3b

Additionally, a ANCOVA has been applied to test for differences on the WTP for the combinations of the inferior product with the superior COO and the superior product with the inferior COO. The corresponding assumptions have been checked and met. The ANCOVA includes the independent variable product combination and the dependent variable WTP. The control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism have been incorporated to control for confounding impact. The conducted test of between-subject effects of the ANCOVA reveals no significant difference on the

WTP based on the product combination [$F(1) = 0.008$, $p > 0.1$]. The consumers' WTP for the superior Polish product ($M = 716.68$, $SD = 323.23$) was not significantly higher than for the inferior Swedish product ($M = 676.60$, $SD = 354.04$). Only the control variable product involvement revealed a significant impact on the consumers' WTP [$F(1) = 3.972$, $p < 0.05$]. By plotting the WTP and the control variable product involvement a positive relationship can be detected, which means that a higher product involvement is associated with a higher WTP for the bicycle (see Table 14). (*Appendix D: SPSS Output; Main Analysis: H3b – Mixed Superiority and Inferiority*)

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	596970.701 ^a	7	85281.529	0.735	0.643
Intercept	934084.966	1	934084.966	8.048	0.005
Consumer Ethnocentrism	35105.108	1	35105.108	0.302	0.583
Consumer Xenocentrism	4.564	1	4.564	0.000	0.995
Product Involvement	461042.555	1	461042.555	3.972	0.049
Price Sensitivity	85913.379	1	85913.379	0.740	0.391
Product Ethnicity Sweden	21651.565	1	21651.565	0.187	0.667
Product Ethnicity Poland	44625.428	1	44625.428	0.384	0.536
Product Combination	875.896	1	875.896	0.008	0.931
^a Adjusted $R^2 = -0.016$					

Table 14: ANCOVA Test of Between-Subject Effects H3b

To sum it up, with regards to the mixed superiority and inferiority of COO and product characteristics no significant difference could be detected, neither on the pricing-footprint nor on the consumers' WTP. These results show that if the superiority and inferiority of COO and product quality is being mixed, there is no significant difference in the consumers' WTP for the two products. However, as stated above, product involvement had again a significant positive impact on the consumers' WTP. Therefore, we have to reject hypothesis H3b, as no significant

difference in the WTP could be detected between the Polish superior product and the Swedish inferior product.

6.3.7. *Willingness to Buy (WTB)*

In the previous analysis the focus was the pricing-footprint and the consumers' WTP and this last paragraph of the analysis aims to throw a glance at the consumers' willingness to buy the perceived product. The consumers were asked to state how likely it is that they would buy the product on a 10-point scale ranging from 10% to 100%. The goal is to check whether the consumer WTP and WTB differ with regards to each other and to the four independent experimental conditions.

As a first step to see how the consumers' willingness to pay and to buy are related, a correlation of the two dependent variables has been conducted and the assumptions therefore confirmed. By applying the Persons' correlation, the correlation of WTP and WTB turned out positive and highly significant [$r = 0.175$, $p < 0.01$]. The positive relationship states that a higher consumers' WTP for the given product the higher also their willingness to buy it.

Additionally, to check for differences in the willingness to buy with regards to the experimental conditions a ANCOVA has been conducted. Therefore, the assumptions have been checked and confirmed. The ANCOVA includes the independent variable experimental conditions, the dependent variable willingness to buy and the control variables product involvement, price sensitivity, product ethnicity, consumer ethnocentrism, and consumer xenocentrism. The test of between-subject effects of the ANCOVA reveals no significant difference on the WTB based on the four independent experimental conditions [$F(3) = 0.823$, $p > 0.1$]. However, the control variables consumer xenocentrism [$F(1) = 2.786$, $p < 0.1$] and product ethnicity for Sweden [$F(1) = 5.371$, $p < 0.05$] turned out significantly. By plotting the willingness to buy and the control variables consumer xenocentrism and product ethnicity Sweden a positive relationship can be detected for both control variables. Respondents with higher values on consumer xenocentrism stated a higher willingness to buy, and also consumer, which stated a higher product ethnicity with Sweden stated a higher willingness to buy the bicycle. (*Appendix D: SPSS Output; Willingness to Buy (WTB)*)

6.4. Summary Analysis

The following chapter is dedicated to recap the main findings of the hypothesis testing. Therefore, the summary of the findings has been split into two main parts. The first part will merge the main findings of the hypothesis testing and the second part will provide a general overview of the control variables, which have been included in the analysis.

6.4.1. Main Findings

This paragraph aims to recapitulate the main findings of the hypothesis testing above. In total six hypothesis have been tested, which compare the consumers' WTP for a given product. In general, each hypothesis compares the consumers' WTP between two groups of the 2x2 experimental design. For each hypothesis testing a ANCOVA has been applied and the results of the between-subject effects summarized below (see Table 15).

All the six hypothesis tests turned out to be non-significant. However, these non-significant results still bear some interesting findings. First, by testing for a COO-effect in the hypothesis H1a and H1b the non-significant results indicate a rational consumer behavior, as the WTP for the product was not dependent on the COO. Second, the hypothesis H2a and H2b tested for the impact of product superiority or inferiority on the consumers' WTP for the bicycle. Interestingly, the technical details of the bicycle alone did not impact the consumers' WTP. These findings are being backed up by the fact, that each issue of interested has been tested twice, once in a superior surrounding and once in an inferior surrounding. In both conditions, the results turned out non-significant and, in this manner, showing consistency. Third, the COO and product superiority/inferiority has been mixed, resulting in a test of a superior combination versus an inferior combination and a test of superior product originating in an inferior COO versus an inferior product originating in a superior COO. These results turned out non-significant as well indicating that in terms of the product category bicycles there might be other factors which influence the consumers WTP.

H	Cues	IV – Experimental Conditions		DV - WTP	
		I	II	F	Sig.
H1a	<i>Intrinsic</i>	Superior Product	Superior Product	2.056	0.155
	<i>Extrinsic</i>	Superior COO	Inferior COO		
H1b	<i>Intrinsic</i>	Inferior Product	Inferior Product	0.026	0.872
	<i>Extrinsic</i>	Superior COO	Inferior COO		
H2a	<i>Intrinsic</i>	Superior Product	Inferior Product	2.471	0.119
	<i>Extrinsic</i>	Superior COO	Superior COO		
H2b	<i>Intrinsic</i>	Superior Product	Inferior Product	0.109	0.742
	<i>Extrinsic</i>	Inferior COO	Inferior COO		
H3a	<i>Intrinsic</i>	Superior Product	Inferior Product	1.871	0.174
	<i>Extrinsic</i>	Superior COO	Inferior COO		
H3b	<i>Intrinsic</i>	Superior Product	Inferior Product	0.008	0.931
	<i>Extrinsic</i>	Inferior COO	Superior COO		

Table 15: Summary Main Findings

6.4.2. Control Variables

Control variables have been included in each analysis of the hypothesis testing since theory indicates that they might have some influence on the consumers' decision making. In this case five control variables have been included, product involvement, product ethnicity, price sensitivity, consumer ethnocentrism and consumer xenocentrism. In the main analysis of the hypothesis testing product ethnicity, consumer ethnocentrism and consumer xenocentrism had no significant impact neither on the pricing-footprint nor on the consumers' WTP. However, price sensitivity did have a significant impact on the pricing-footprint and the WTP in analysis of hypothesis H2a. In both tests the price sensitivity had a negative relationship with the dependent variable meaning that respondents with a higher price sensitivity stated a significantly lower price in the evaluation of the product. But, as stated before, price sensitivity had a significant

influence only in one condition, namely hypothesis H2a. A more consistent influence had the control variable product involvement. Except for hypothesis H2b product involvement had in each hypothesis testing a significant influence on the consumers' price perception, either on the pricing-footprint, or on the WTP, or even on both. In each testing product involvement had a positive impact on the consumers' price evaluation indicating that consumers with a higher involvement in the product category bicycles tend to have a higher WTP for a bicycle.

7. Discussion

This master thesis has investigated the COO-effect under the light of the cue utilization theory and the accessibility-diagnostics framework. The COO-effect has been subject to many different research studies but to the best of our knowledge, none of them focused on the COO-effect with respect to objective product superiority and inferiority. What happens with the COO-effect if one product is objectively better than the counterpart? Will the often-investigated COO-effect still hold if one product is objectively superior and the other product objectively inferior? And whether objective product superiority could counteract or even overcome the COO-effect? To close this research gap this study applied a clean 2x2 independent experimental design with stimuli, which differ with regards to their COO and their product characteristics. By manipulating each level of the product characteristics, it enables us to create an objective better and worse product. The aim of this master thesis is to bring some light into consumers' behavior, whether they act rational or irrational. By applying the cue utilization theory and the accessibility-diagnostics framework consumer should act rationally and prefer the better product instead of the worse counterpart, irrespective of COO. Additionally, this study applied a stricter test of consumer behavior, namely their willingness to pay for the product at hand. This test is being considered as stricter than purchase probability, because it includes cognitive elaboration of the consumers. They have to think about it and therefore the answers may represent the behavior in real life more adequately. However, this study found some very interesting results indicating that when it comes to the product category bicycles COO seems not to have such an important impact on the consumers' WTP as initially assumed.

7.1. Theoretical Implications

From a theoretical perspective, the study at hand adds some additional input to the current state of research regarding the COO-effect. Several studies before could detect a significant influence of COO on the consumers' WTP (Drozdenko & Jensen, 2009; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). However, our study cannot support the previous findings when it comes to the product category bicycles.

By comparing the two experimental conditions, which both exposed the respondents to the superior product differing only in terms of the COO, the superior product with the superior COO

Sweden did not achieve a significantly higher WTP than the superior product with the inferior COO Poland. Additionally, by comparing the two experimental conditions which exposed the respondents to the inferior product differing again only in terms of the COO as well, again no significant difference on the consumers' WTP could be detected. Both comparisons show the same results, which introduces consistency, but nevertheless these findings are contrary to previous studies on COO (Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012). However, what distinguishes this study from the previous research is the fact that objective product superiority and inferiority has been introduced to the research design. By providing the respondents with sufficient intrinsic product cues, the extrinsic cue (COO) did not seem to be relevant in terms of price evaluations. These findings are in line with both theories the cue utilization theory and the accessibility-diagnostics framework. The cue utilization theory states that if there are intrinsic product cues provided, they are able to dominate extrinsic cues, e.g., COO (Miyazaki, Grewal & Goodstein, 2005). Additionally, the accessibility-diagnostics framework proposes that if diagnostic stimulus-based inputs are available they override past impression, like e.g., country image of a foreign COO (Boisvert, 2016; Feldman & Lynch, 1988; Herr, Kardes & Kim, 1991). Furthermore, these results indicate a certain rational consumer behavior under the circumstances that sufficient intrinsic product information are being provided. A superior COO did not lead to a significant higher price evaluation of the same product indicating that indeed sufficient available intrinsic cues override extrinsic cues. Moreover, the control variable product involvement turned out to have a significant impact on the consumers' WTP for the bicycle. Again, indicating in a certain way rational consumer behavior because those respondents who are highly involved in the product category were willing to pay more for the bicycle. This might be due to the product category, which is a more technical product category and consumers with a higher product involvement have more understanding about the technical details which have been provided.

Moreover, the experimental conditions within each country have been compared with regards to whether the consumers' WTP differs between the objectively superior and inferior product. Unfortunately, in terms of both COO Sweden and Poland the superior product did not achieve a significantly higher WTP than the inferior product. These results are not in line with the rational consumer behavior, because the WTP for a better product should be higher than for a worse product (Diamantopoulos, Thourmrungrroje & Scherer, 2021; Kroeber-Riel & Gröppel-Klein, 2019). However, as in the comparisons above the control variable product involvement

turned out to have a significant impact on the consumers' WTP. These results again indicate that the bicycle might be a too technical product for such a study. It seems like the broad population might not know how to interpret the given technical details of the bicycle. Another explanation could be that the two product versions did not differ enough to achieve a significant different price evaluation.

Furthermore, this study compared whether the two extreme experimental conditions differ in terms of the consumers' WTP. The WTP for the superior product with the superior COO Sweden was not significantly higher than for the inferior product with the inferior COO Poland. Additionally, the two mixed conditions have been compared as well and showed no significant difference too. The superior product with the inferior COO Poland did not achieve a significantly higher WTP than the inferior product with the superior COO Sweden. In such a situation the literature suggests that the consumer WTP should be higher for the better product and voting for the rational consumer behavior (Diamantopoulos, Thourmrungröje & Scherer, 2021; Kroeber-Riel & Gröppel-Klein, 2019). However, in both comparisons the superior product did not achieve a significantly higher WTP than the inferior product, not even with the superior COO together. However, as before the product involvement achieved a significant impact on the consumers' WTP. These results can be interpreted in two ways. First, as in the hypothesis H1a and H1b no COO-effect could be detected. Indicating, that available product-related intrinsic cues override extrinsic cues (COO). Otherwise, if the intrinsic cues would not override the extrinsic cues, then in both situations the WTP should have been higher for the group which was exposed to the superior COO Sweden. Second, as stated before the superior product did not achieve a significantly higher WTP compared to the inferior product in none of the comparisons, irrespectively of the COO. There are several explanations why this might have happened. Firstly, the bicycle as an experimental stimulus might be too technical for the broad population. Leading to an error that the broad population is not able to interpret the given technical details correctly. They simply do not have the know how to identify the worth of the product without having a comparison at hand. Secondly, the gap between the superior and inferior product might not have been big enough to detect differences in the price evaluation. Thirdly, the provided picture of the bicycle might not have fit the technical description.

Leading these findings back to the research gap, the current results offer some answers to the issues under investigation, but also lead to some further questions. COO did not influence the

consumers' WTP for the bicycle indicating that by providing sufficient intrinsic cues the extrinsic cues are being overridden. This is in line with the theory and indicating rational consumer behavior because the COO per se did not influence the price evaluation. Whereas the superior product did not achieve a higher price evaluation compared to the inferior product arguing against rational consumer behavior. However, in each comparison the control variable product involvement achieved a significant impact on the WTP indicating that especially when it comes to the product bicycles the involvement seems to be an important driver of the price evaluation.

7.2. Managerial Implications

From a managerial perspective, the study at hand offers several recommendations. First, regarding the COO-effect the study at hand provides good and bad news. The good news are especially for producers originating in a less favourable country and the bad news for those producers originating in a less favourable country, because we did not find a COO-effect whilst detailed intrinsic cues are provided. The COO (extrinsic cue) is being overridden by the provided technical product details (intrinsic cues). This is great news for producers originating from countries with a lower scoring on the country image, as they can counteract the negative effect of the less favourable country image on the consumers price evaluation by providing enough technical product details. When they market a new product, they should focus on the product details (intrinsic cues) and keep the less favourable COO in the background. By applying these implications, the marketers can achieve a similar price as a same product from a more favourable country would achieve. Whilst this is good news for companies originating from a less favourable country it is not for those originating from a more favourable country, because the COO itself does not lead to a higher WTP.

Second, we were not able to find a difference in the consumers' WTP for the superior and inferior product irrespective of the COO. One possible explanation could be that the consumers are not able to interpret the product characteristics of a superior product to be a superior product when it is in an isolated environment without any comparison possibilities. It seems like the product details are not able to assure the superiority of a given product just by offering intrinsic cues without any context. Therefore, when it comes to market a superior product, we suggest that the superiority of the product should be highlighted and communicated. The consumers must be made aware that they are dealing with an objectively superior product. The superior

products could highlight their superiority compared to an average product of the category e.g., the average bicycle is being offered with 12 gears, but this superior bicycle has 24. Make sure in which terms the given product is superior and why. If the consumers get the superiority of a product at hand, they might be willing to pay a higher price. However, these implications might only apply under the assumption that the consumers did not get the objective superiority only based on the provided product details without any context or possibility to compare within the product category. If the consumers are not able to compare products, how should they know they are dealing with a superior or inferior one? Under this assumption the implications described above could lead to a higher price evaluation of a superior product. However, if a company aims to achieve the highest possible price for an inferior product, then it might be good news that the consumers might not be able to differentiate properly between a superior and inferior product. By keeping a low profile and not making the inferiority of the product obvious the inferior product might achieve a WTP not significantly lower than for the superior counterpart. In conclusion, superior products should communicate their superiority to the consumers and the inferior product should not communicate their inferiority but let the consumer assume them being superior as well.

Third, to make the consumers aware of the superiority of a product or a COO communication and marketing resources should be invested. The consumers should be made aware that they are dealing with an objectively superior product, or with a COO which e.g., has the image of great workmanship and product quality. By highlighting these superior intrinsic and extrinsic product cues the managers could try to achieve a higher WTP than by just stating this information on the product. From the perspective of a producer for inferior products with an inferior COO the communication is not as important, they should simply provide enough intrinsic cues to override the negative effect of an inferior COO. This way they will achieve a WTP which will not be significantly lower than for a superior product from a superior COO without additional communication and marketing costs.

Forth, based on the results of this study moving the brand origin or the manufacturing plant to a different country seem to be an unnecessary cost factor, as the COO did not significantly influence the consumer's WTP, neither for a superior nor inferior product. The fight of achieving a higher price has to be fought on the marketing and communication level. Managers have to decide whether it pays off to increase the marketing and communication resources and to try to increase the consumers' WTP by making them actively aware of the product superiority

or whether these costs are unnecessary due to a good baseline of the price they achieve without any additional investment.

Fifth, the study at hand showed that consumers of a higher product involvement achieved a higher WTP for each product combination compared to those with a lower product involvement. This tendency might be a specific one regarding the product category bicycles, but even if this is the case producers of bicycles should try to focus more on the consumers with a higher product involvement than on the broad consumer market. Advertising and product communication should be done especially in environments where people of high involvement for bicycles are situated. Tracking the high involvement consumers and communicating the product to them could be advantageous, because even for the inferior bicycle with the inferior COO they were willing to pay a higher price.

7.3. Limitations and Future Research

The present research study has several limitations, which can be taken as a lead for future research. First, in several analysis some statistical assumption for the conduction of the test statistic got violated and therefore it would be recommendable to replicate this study. The replication could be undertaken either again with bicycles as the product of interest to check whether they will find the same results, or by using other product categories to check whether these findings can be backed up in other product categories. For instance, luxury products, which might reveal a different relationship of COO and product superiority.

Second, this study is a clean 2x2 experimental design, which enables independent comparisons, which in turn are not being biased by introducing several stimuli. However, as clean as it is, it does not apply to the real purchase environment. In a real purchase environment, the consumers are being exposed to not only one singular product, but to a variety of products from the same category varying in quality, COO, etc. Therefore, a future research objective could be to design a within-subject experimental design. Make the respondents evaluate and choose the products side by side. This way the external validity is being increased, as this applies more to the real purchase environment. And this way some investigations could be made to check whether products, which might be side by side in the store, influence the consumers' perception of them. Additionally, the respondents could be asked to state which product of those they were exposed to is in their eyes the superior one. Because, if the consumers are not able to identify the better

product when they are being exposed to several products of the same category, then correspondingly they can not act completely rational, as a rational consumer would choose the better product.

Additionally, it would be interesting to recreate the comparisons of this study but as stated above in a within-subject design. Make the consumers evaluate both products, e.g., the superior Swedish and Polish bicycle and also choose which one they would rather buy. Will there be again no COO-effect, or will the consumers prefer the Swedish version of the Polish counterpart. Furthermore, regarding the superior and inferior product a within-subject design could show whether the respondents recognize the objectively better product and if they do whether their WTP differs in a direct comparison.

Third, this study introduced only two versions of the bicycle, whereof one is objectively superior by being better on each level of the product description, and one being objectively worse. Therefore, it would be a possible future research topic to investigate on how many levels and by how much a product needs to be better to get perceived as the better one and to achieve a higher WTP. This would be interesting to know for a company's perspective, as the improvement of a product on only one level is way cheaper than an improvement on multiple levels. By knowing exactly on how many levels a product needs to be better and by how much it needs to be better than its counterpart to be perceived as the superior one, the investment for development and improvement could be kept at a minimum necessary level while increasing the consumers' WTP for the superior product.

Forth, from a different methodological perspective, a qualitative study applying in-depth interviews could be conducted. The researcher could get into a conversation with the consumers and get some deeper answers to why some price evaluations do not differ the way they were expected to differ, e. g., why is the consumers' WTP for a objectively superior product compared to an inferior version not higher? Do consumers not recognize the superiority of a given product or are there other factors confounding the results? Such answers could be gathered by applying some qualitative methods and then tightened by conducting another replicating quantitative survey based on the input of the qualitative research.

However, despite the many different conducted studies the area of COO offers still some unsolved issues and open questions, which have to be explored to gather addition insights in the consumers purchase behavior.

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Appendix

Appendix A: Scales

Country Image by Roth & Romeo 1992

1.	Innovativeness, the use of new technologies and engineering advances of the [target country] in product production? Not at all innovative 1-2-3-4-5-6-7 Very innovative.
2.	Design, the appearance, style, colours, and variety of products from the [target country]. Not at all appealing. 1-2-3-4-5-6-7 Very appealing.
3.	Prestige, accounts for exclusivity, status, and brand name reputation of products from [target country]. Not at all prestigious. 1-2-3-4-5-6-7 Very prestigious.
4.	Workmanship, reliability, durability, craftsmanship, and manufacturing quality of products from the [target country]. Very bad. 1-2-3-4-5-6-7 Very good.

(Roth & Romeo, 1992)

Price Sensitivity Meter by Van Westendorp 1976

1.	Too cheap = the price for the given product is so cheap that it leads to questions about its quality: ____ €
2.	Cheap = the price for the given product seems to be cheap and seems like a bargain: ____ €

Product Ethnicity by Halkias & Diamantopoulos 2020

1.	This product category reflects [target country]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
2.	I associate this product category with [target country]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
3.	This product category makes me think of [target country]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
4.	There is a strong link between this product category and [target country]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.

(Halkias & Diamantopoulos, 2020)

Price Sensitivity by Wakefield & Inman 2003

1.	I am willing to make an extra effort to find a low price for [product]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
2.	I will change what I had planned to buy in order to take advantage of a lower price for [product]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
3.	I am sensitive to differences in prices of [product]. I fully disagree. 1-2-3-4-5-6-7 I fully agree.

(Wakefield & Inman, 2003)

Consumer Ethnocentrism by Verlegh 2007

1.	Austrian people should not buy foreign products, because this hurts Austrian business and causes unemployment. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
2.	It is not right to purchase foreign products, because this puts Austrian people out of jobs. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
3.	A real Austrian should always buy Austrian products. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
4.	I always prefer Austrian products over foreign products. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
5.	We should purchase products manufactured in Austria, instead of letting other countries get rich off us. I fully disagree. 1-2-3-4-5-6-7 I fully agree.

(Verlegh, 2007)

Consumer Xenocentrism by Balabanis & Diamantopoulos 2016

1.	There are very few domestic products that are of equal quality to foreign products. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
2.	I cannot think of any domestic brands that are as good as the foreign ones I purchase. I fully disagree. 1-2-3-4-5-6-7 I fully agree.

3.	I trust more foreign than domestic companies, because they are more experienced and have more resources. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
4.	In most product categories, foreign brands outperform domestic ones. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
5.	I trust foreign products more than the domestic ones. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
6.	Using foreign products enhances my self-esteem. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
7.	People that buy domestic products are less regarded by others. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
8.	I prefer foreign to domestic brands as most of my acquaintances buy foreign brands. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
9.	Buying foreign products makes me trendier. I fully disagree. 1-2-3-4-5-6-7 I fully agree.
10.	I purchase foreign brands to differentiate myself from others. I fully disagree. 1-2-3-4-5-6-7 I fully agree.

(Balabanis & Diamantopoulos, 2016)

Appendix B: Stimuli



by Zweiradladen, A. (2021)

This picture of a decent bicycle has been taken from Zweiradladen (2021) to create the four stimuli for the experimental design. This bicycle seemed to be perfectly fitting as it is simple, has no special design, and no visible brand.

Stimulus G1

Superior COO & superior product.

Velios – City-Rad



Produktinfos:

- Rahmenhöhe: 26'' & 28''
- Farben: schwarz, weiß, rot & blau
- Material: Aluminium
- Gewicht: 10 kg
- Vorder- Rück- & V-Bremse
- Gänge: 24
- Garantie: 10 Jahre



Made in
SWEDEN

Stimulus G2

Inferior COO & Superior product.

Velios – City-Rad



Produktinfos:

- Rahmenhöhe: 26'' & 28''
- Farben: schwarz, weiß, rot & blau
- Material: Aluminium
- Gewicht: 10 kg
- Vorder- Rück- & V-Bremse
- Gänge: 24
- Garantie: 10 Jahre



Stimulus G3

Superior COO & Inferior product.

Velios – City-Rad



Produktinfos:

- Rahmenhöhe: 26''
- Farben: schwarz & weiß
- Material: Stahl
- Gewicht: 14 kg
- Vorder- & Rückbremse
- Gänge: 12
- Garantie: 5 Jahre



Stimulus G4

Inferior COO & inferior product.

Velios – City-Rad



Produktinfos:

- Rahmenhöhe: 26''
- Farben: schwarz & weiß
- Material: Stahl
- Gewicht: 14 kg
- Vorder- & Rückbremse
- Gänge: 12
- Garantie: 5 Jahre



Appendix C: Questionnaire

Page 1



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Sehr geschätzte*r Teilnehmer*in,

Die folgende Umfrage wird im Rahmen einer Masterarbeit am Lehrstuhl für Internationales Marketing an der Universität Wien durchgeführt. Somit dient diese Studie ausschließlich dem wissenschaftlichen Zwecke und die Daten werden nicht an Dritte weitergegeben. Im Folgenden sind wir an Ihrer Meinung als Konsumenten interessiert. Ihre Teilnahme ist für uns äußerst wertvoll und geschätzt. Die Umfrage dauert durchschnittlich **5-8 Minuten**.

- Bitte lesen Sie sich die nachfolgenden Fragen genau durch und folgen Sie den Angaben.
- Es gibt kein Richtig und kein Falsch, es zählt nur Ihre persönliche Meinung.
- Ihre Daten und Angaben werden vertraulich behandelt und ausschließlich für wissenschaftliche Zwecke verwendet.

Für weitere Informationen zu dieser Studie, wenden Sie sich bitte an folgende Email-Adresse:
a01452145@unet.univie.ac.at

Vielen herzlichen Dank für Ihre Teilnahme!

Weiter

Page 2



17% ausgefüllt

Zu Beginn sehen Sie ein Fahrrad mit entsprechenden Produktinfos.

Bitte betrachten Sie die Fahrrad-Anzeige, lesen Sie sich die Produktinformationen durch und beantworten Sie dann die darauf folgenden Fragen.

Velios – City-Rad



Produktinfos:

- Rahmenhöhe: 26"
- Farben: schwarz & weiß
- Material: Stahl
- Gewicht: 14 kg
- Vorder- & Rückbremse
- Gänge: 12
- Garantie: 5 Jahre



Made in
SWEDEN

1. Bitte bewerten Sie den Preis des dargestellten Fahrrades anhand der 4 Dimensionen.

Betrachten Sie das dargestellte Fahrrad und geben Sie an, welchen Preis Sie den vier unten stehenden Aussagen zuteilen würden.

Ab welchem Preis würden Sie diesen als so niedrig erachten, dass Sie an der Qualität des Produktes zweifeln würden? €

Ab welchem Preis würden Sie dieses Produkt für ein Schnäppchen halten – ein guter Kauf für das Geld? €

Ab welchem Preis würden Sie anfangen, das Produkt als teuer zu empfinden? - Sie würden den Kauf noch nicht ausschließen, aber Sie müssten darüber nachdenken, das Produkt zu kaufen. €

Ab welchem Preis würden Sie das Produkt als so teuer empfinden, dass Sie es nicht mehr in Erwägung ziehen würden, es zu kaufen? €

2. Wie wahrscheinlich ist es, dass Sie das gezeigte Produkt im Handel kaufen würden?

Bitte geben Sie an, welcher Prozentsatz auf Sie zutrifft.

☐ 0 % ☐ 10 % ☐ 20 % ☐ 30 % ☐ 40 % ☐ 50 % ☐ 60 % ☐ 70 % ☐ 80 % ☐ 90 % ☐ 100 %

Weiter

Page 3



33% ausgefüllt

Nun ein paar Fragen zu Ihrer Meinung betreffend der beiden europäischen Staaten Polen und Schweden.

Bitte geben Sie Ihre persönliche Meinung an.

Es gibt keine richtigen und keine falschen Angaben, da es sich um Ihre persönliche Sichtweise handelt.

1. Wie innovativ finden Sie Produkte dieser Länder allgemein?

Innovation = Verwendung neuer Technologien und technischer Fortschritt.

	nicht innovativ							sehr innovativ
Schweden	☐	☐	☐	☐	☐	☐	☐	☐
Polen	☐	☐	☐	☐	☐	☐	☐	☐

2. Wie finden Sie generell das Design von Produkten dieser Länder?

Design = Erscheinungsbild, Stil, Farbe und Vielfalt.

	nicht ansprechend							sehr ansprechend
Schweden	☐	☐	☐	☐	☐	☐	☐	☐
Polen	☐	☐	☐	☐	☐	☐	☐	☐

3. Wie prestigeträchtig schätzen Sie die Produkte dieser Länder generell ein?

Prestige = Exklusivität, Status und Reputation des Markennamens.

	nicht prestigeträchtig						sehr prestigeträchtig
Schweden	☐	☐	☐	☐	☐	☐	☐
Polen	☐	☐	☐	☐	☐	☐	☐

4. Wie beurteilen Sie die Verarbeitung der Produkte dieser Länder generell?

Verarbeitung = Beständigkeit, Kunstfertigkeit und Herstellungsqualität.

	sehr schlecht						sehr gut
Schweden	☐	☐	☐	☐	☐	☐	☐
Polen	☐	☐	☐	☐	☐	☐	☐

Weiter

Page 4



50% ausgefüllt

Im Folgenden geht es konkret um die Produktkategorie Fahrräder:

Bitte beantworten Sie die folgenden Fragen entsprechend Ihrer persönlichen Meinung.

1. In welchem Ausmaß stimmen Sie den folgenden Aussagen in Bezug auf die Produktkategorie Fahrrad zu?

Bitte bewerten Sie die Aussagen von 1 (stimme überhaupt nicht zu) bis 7 (stimme voll und ganz zu)

	Stimme überhaupt nicht zu						Stimme voll und ganz zu
Bei der Auswahl von Fahrradmarken und -typen, die auf dem Markt erhältlich sind, würde ich sehr darauf achten, welches ich kaufe.	☐	☐	☐	☐	☐	☐	☐
Die verschiedenen Fahrradmarken und -typen, die auf dem Markt erhältlich sind, sind alle sehr unterschiedlich.	☐	☐	☐	☐	☐	☐	☐
Der Kauf eines Fahrrads wird in meinem Leben sehr wichtig sein.	☐	☐	☐	☐	☐	☐	☐
Bei der Auswahl eines Fahrrads würde ich mich sehr mit dem Ergebnis meiner Wahl befassen.	☐	☐	☐	☐	☐	☐	☐
Für mich wäre es sehr wichtig die richtige Wahl beim Kauf eines Fahrrades zu treffen.	☐	☐	☐	☐	☐	☐	☐

2. In welchem Ausmaß stimmen Sie den folgenden Aussagen generell zu?

Bitte bewerten Sie die Aussagen von 1 (stimme überhaupt nicht zu) bis 7 (stimme voll und ganz zu)



Ich ändere meine Pläne was ich kaufen wollte, um einen niedrigeren Preis für ein Fahrrad zu erzielen.

☐☐☐☐☐☐☐

Ich bin bereit, eine zusätzliche Anstrengung zu unternehmen, um einen niedrigeren Preis für ein Fahrrad zu finden.

☐☐☐☐☐☐☐

Ich bin sensibel was Preisunterschiede bei Fahrrädern betrifft.

☐☐☐☐☐☐☐

3. In welchem Ausmaß stimmen Sie den folgenden Aussagen zur Produktkategorie Fahrräder und dem Land Schweden zu?

Bitte bewerten Sie die Aussagen von 1 (stimme überhaupt nicht zu) bis 7 (stimme voll und ganz zu)



Ich assoziiere die Produktkategorie Fahrräder mit dem Land **Schweden**.

☐☐☐☐☐☐☐

Die Produktkategorie Fahrräder lässt mich an das Land **Schweden** denken.

☐☐☐☐☐☐☐

Zwischen der Produktkategorie Fahrräder und dem Land **Schweden** ist eine starke Verbindung.

☐☐☐☐☐☐☐

Die Produktkategorie Fahrräder reflektiert das Land **Schweden**.

☐☐☐☐☐☐☐

4. In welchem Ausmaß stimmen Sie den folgenden Aussagen zur Produktkategorie Fahrräder und dem Land Polen zu?

Bitte bewerten Sie die Aussagen von 1 (stimme überhaupt nicht zu) bis 7 (stimme voll und ganz zu)



Zwischen der Produktkategorie Fahrräder und dem Land **Polen** ist eine starke Verbindung.

☐☐☐☐☐☐☐

Die Produktkategorie Fahrräder lässt mich an das Land **Polen** denken.

☐☐☐☐☐☐☐

Ich assoziiere die Produktkategorie Fahrräder mit dem Land **Polen**.

☐☐☐☐☐☐☐

Die Produktkategorie Fahrräder reflektiert das Land **Polen**.

☐☐☐☐☐☐☐

Weiter

Nun ein paar generelle Fragen zu Ihrer persönlichen Einstellung:

Bitte beantworten Sie die folgenden Fragen entsprechend Ihrer persönlichen Meinung.

1. In welchem Ausmaß stimmen Sie den folgenden Aussagen generell zu?

Bitte bewerten Sie die Aussagen von 1 (stimme überhaupt nicht zu) bis 7 (stimme voll und ganz zu)

	Stimme überhaupt nicht zu	Stimme voll und ganz zu
Ich bevorzuge immer österreichische Produkte über ausländische Produkte.	☐	☐
Ein*e wahre*r Österreicher*in sollte stets österreichische Produkte kaufen.	☐	☐
Es ist nicht richtig ausländische Produkte zu kaufen, weil dadurch Arbeitsplätze in Österreich gefährdet werden.	☐	☐
Österreicher*innen sollten keine ausländischen Produkte kaufen, denn das schadet der heimischen Wirtschaft und erhöht die Arbeitslosigkeit.	☐	☐
Wir sollten in Österreich hergestellte Waren kaufen, anstatt andere Länder reich zu machen.	☐	☐

2. In welchem Ausmaß stimmen Sie den folgenden Aussagen generell zu?

Bitte bewerten Sie die Aussagen von 1 (stimme überhaupt nicht zu) bis 7 (stimme voll und ganz zu)

	Stimme überhaupt nicht zu	Stimme voll und ganz zu
Es gibt nur sehr wenige einheimische Produkte, die von gleicher Qualität wie ausländische Produkte sind.	☐	☐
Ich vertraue ausländischen Produkten mehr als den inländischen.	☐	☐
In den meisten Produktkategorien schneiden ausländische Marken besser ab als inländische.	☐	☐
Ich vertraue mehr ausländischen als einheimischen Unternehmen, weil sie mehr Erfahrung haben und über mehr Ressourcen verfügen.	☐	☐
Ich bevorzuge ausländische Marken, da die meisten meiner Bekannten ausländische Marken kaufen.	☐	☐
Die Verwendung ausländischer Produkte stärkt mein Selbstbewusstsein.	☐	☐
Menschen, die einheimische Produkte kaufen, werden von anderen weniger geschätzt.	☐	☐
Der Kauf ausländischer Produkte macht mich trendiger.	☐	☐
Mir fallen keine einheimischen Marken ein, die so gut sind wie die ausländischen Marken, die ich kaufe.	☐	☐
Ich kaufe ausländische Marken, um mich von anderen abzuheben.	☐	☐

Weiter

Zum Schluss hätten wir ein paar persönliche Fragen an Sie:

Ihre Angaben werden nur zur statistischen Analyse herangezogen.

1. Geschlecht:

- ☐ Weiblich
- ☐ Männlich
- ☐ Divers

2. Alter (in Jahren):

3. Höchste abgeschlossene Schulbildung:

- ☐ Pflichtschule
- ☐ Lehre
- ☐ Matura
- ☐ Bachelor
- ☐ Master/Magister
- ☐ Doktor/PhD
- ☐ Sonstige

4. Beschäftigungsverhältnis:

- ☐ Schüler*in /Student*in
- ☐ Angestellt
- ☐ Selbständig
- ☐ Arbeitssuchend
- ☐ Karenz
- ☐ Pension
- ☐ Sonstiges

5. Monatliches Nettoeinkommen (in Euro):

 €

6. Nationalität:

- ☐ Österreich
- ☐ Sonstiges

Weiter



Vielen Dank für Ihre Teilnahme!

Wir möchten uns ganz herzlich für Ihre Mithilfe bedanken.

Ihre Antworten wurden gespeichert, Sie können das Browser-Fenster nun schließen.

Appendix D: SPSS Output

Pretest COO

Descriptive Statistics Country Image:

	Finland	Germany	Greece	Hungary	Italy	Poland	Sweden
N	20	20	20	20	20	20	20
M	5,8375	5,7125	3,6250	2,7125	5,0750	2,6250	5,9625
SD	,66528	,61385	1,06221	1,02686	,79099	1,11950	,67510

Paired Sample T-Test of Country Image Sweden & Poland:

Paired Differences:

					95% CI				
		M	SD	SE	Lower	Upper	t	Df	Sig.
Pair 1	CI SWE – CI POL	3,33750	1,36033	,30418	2,70085	3,97415	10,972	19	,000

Experimental Conditions

COO	Product	N	% of Sample
Sweden	Superior	56	24.7
	Inferior	60	26.4
Poland	Superior	61	26.9
	Inferior	50	22.0
<i>Total:</i>		227	100

Sample Characteristics

Study Results (N = 227)	
Gender	
Female	50.2% (n = 114)
Male	49.3% (n = 112)
Divers	0.4% (n = 1)
Age (in years)	
Mean	31.69
SD	10.74
Education	
Statutory education	1.8% (n = 4)
Vocational School	20.7% (n = 47)
High School	28.6% (n = 65)
Bachelor's degree	21.1% (n = 48)
Master's degree	25.1% (n = 57)
Doctor/PhD	0.9% (n = 2)
Others	1.8% (n = 4)
Income (in €)	
Mean	1843.46
SD	1240.11
Occupation	
Student	20.3% (n = 46)
Employed	69.6% (n = 158)
Self-employed	3.5% (n = 8)
Unemployed	1.8% (n = 4)
Maternity Leave	1.8% (n = 4)
Pension	2.2% (n = 5)
Others	0.9% (n = 2)

Manipulation Check

Assumptions Paired Sample T-Test:

- 1) *Related (paired) observations (within-group-design)*: Confirmed, each respondent had to state their country image regarding both countries, Sweden, and Poland. Therefore, the comparison of the country images is being made within the subject.
- 2) *Normal Distribution (of the difference)*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and as this sample contains 227 observations, we can assume the normal distribution (Field, 2018).

T-Test Test Statistic

Paired Sample Statistics

		N	M	SD	S.E.
Pair 1	CI Sweden	227	5,4626	,86553	,05745
	CI Poland	227	3,4438	,89454	,05937

Paired Samples Correlations

		N	Correlation	Sig. 1-Tailed	Sig. 2-Tailed
Pair 1	CI Sweden & Poland	227	-.128	.027	.055

Paired Samples Test

	Paired Differences					t	df	Sig.
	M	SD	S.E.	95% CI				
				Low.	Up.			
Pair 1: CI Sweden – Poland	2.019	1.322	0.088	1.846	2.192	23.01	226	< .001

Paired Samples Effect Sizes

		Standardizer	Point Estimate	95% CI	
				Low.	Up.
Pair 1: CI Sweden - Poland	Cohen's d	1.322	1.527	1.335	1.718
	Hedges' correction	1.324	1.525	1.333	1.715

Main Analysis: H1a – Superior Product

Descriptives

		n	%
Superior Product	Sweden	56	47.9
	Poland	61	52.1
	<i>total</i>	<i>117</i>	<i>100</i>

Assumptions MANCOVA

- 1) *Two or more continuous dependent variables*: Confirmed, the pricing footprint consists of four continuous variables.
- 2) *Categorical independent variable*: Confirmed, the independent variable COO is categorical and contains the 2 groups, Sweden, and Poland.
- 3) *Continuous covariates*: Confirmed, all covariates, which have been included are continuous.
- 4) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 5) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the Sweden group has 56 responses and the Poland group 61 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 6) *Homogeneity of variances for each dependent variable*: Confirmed, by running the Leven's test for each level of the pricing footprint. On all four levels the test was not significant,

which means that the homogeneity of the variances for each dependent variable can be confirmed.

Levene's Test of Equality of Error Variances

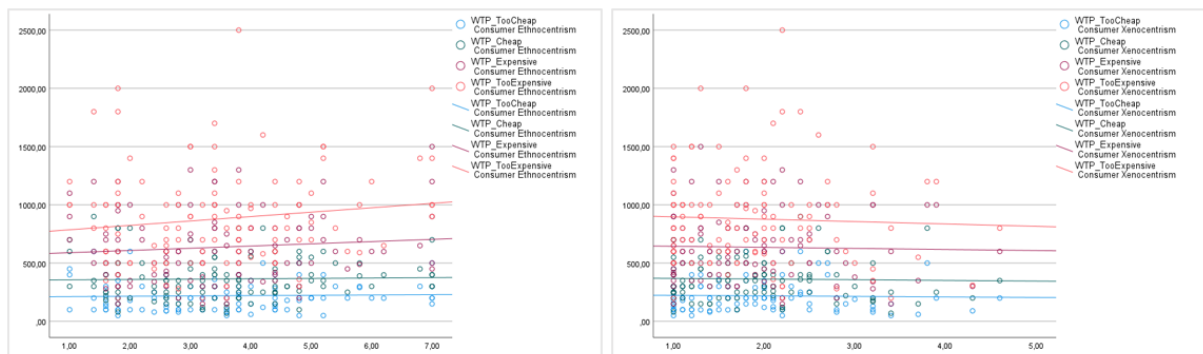
	F	df1	df2	Sig.
Too Cheap	0.987	1	115	0.323
Cheap	2.480	1	115	0.118
Expensive	1.280	1	115	0.260
Too Expensive	0.046	1	115	0.831

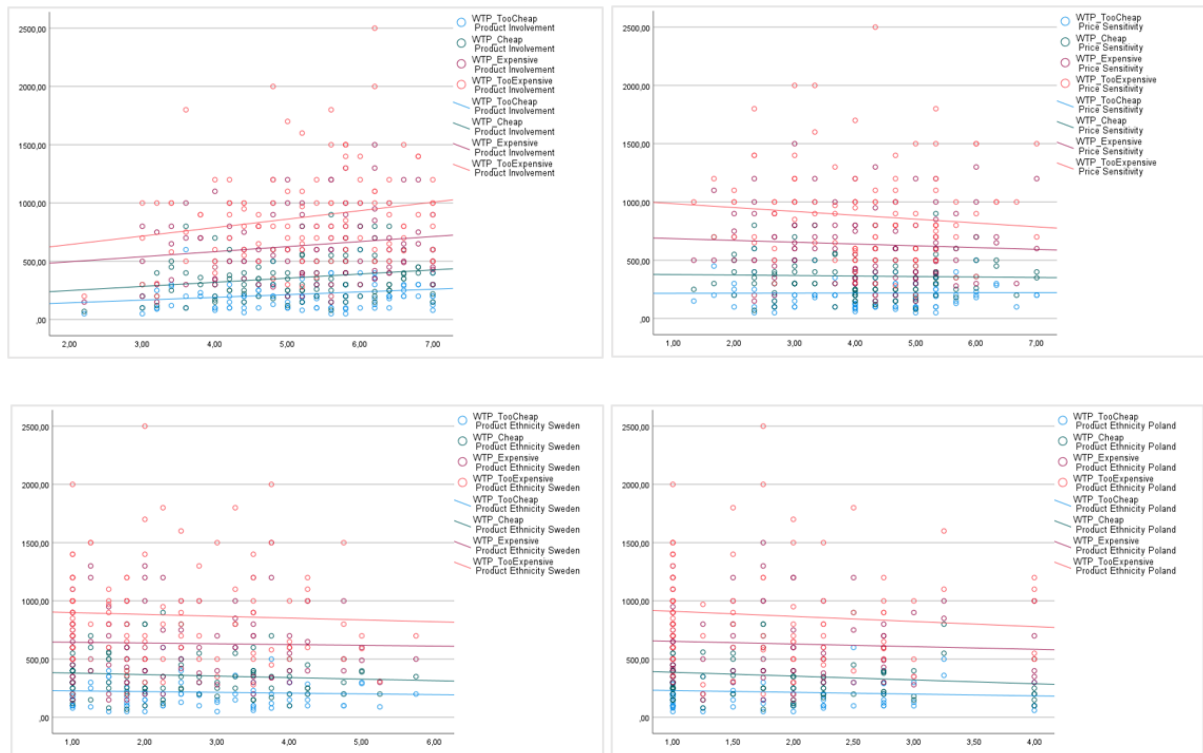
7) *Homogeneity of covariates*: Confirmed, as the Box's test is not significant. Therefore, the homogeneity of covariances can be confirmed.

Box's Test of Equality of Covariance Matrices

Box's M	9.091
F	0.875
Df1	10
Df2	62161.333
Sig.	0.556

8) *Linear relationship between dependent variables and covariates*: Confirmed, by plotting each dependent variable with the covariates. In each case, a linear relationship can be confirmed.





9) *Same slope of the regression line in each group:* Confirmed, by running the MANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant, which means that the regression lines have the same slope.

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.071	1.917	4.000	101.000	0.113
COO*CET	0.061	0.799	8.000	204.000	0.604
COO*CXEN	0.031	0.397	8.000	204.000	0.921
COO*P_Invol.	0.068	0.896	8.000	204.000	0.521
COO*Price_Sens.	0.106	1.432	8.000	204.000	0.185
COO*Pr.Ethnicity Sweden	0.038	0.491	8.000	204.000	0.862
COO*Pr.Ethnicity Poland	0.090	1.202	8.000	204.000	0.299

MANCOVA Test Statistic

Descriptive Statistics

Pricing-Footprint	COO	N	M (in €)	SD (in €)
Too Cheap	Sweden	56	239.00	131.18
	Poland	61	201.48	119.80
	<i>total</i>	<i>117</i>	<i>219.44</i>	<i>126.24</i>
Cheap	Sweden	56	385.00	192.27
	Poland	61	344.39	162.69
	<i>total</i>	<i>117</i>	<i>363.83</i>	<i>177.86</i>
Expensive	Sweden	56	666.79	302.90
	Poland	61	608.82	268.15
	<i>total</i>	<i>117</i>	<i>636.56</i>	<i>285.55</i>
Too Expensive	Sweden	56	940.00	428.41
	Poland	61	824.54	390.75
	<i>total</i>	<i>117</i>	<i>879.80</i>	<i>411.53</i>

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.069	1.959	4.000	106.000	0.106
Consumer Ethnocentrism	0.027	0.725	4.000	106.000	0.577
Consumer Xenocentrism	0.013	0.360	4.000	106.000	0.837
Product Involvement	0.064	1.807	4.000	106.000	0.133
Price Sensitivity	0.033	0.906	4.000	106.000	0.463
Product Ethnicity Sweden	0.002	0.054	4.000	106.000	0.995
Product Ethnicity Poland	0.047	1.301	4.000	106.000	0.274
COO	0.044	1.216	4.000	106.000	0.309

Adjusted R^2 (Too Cheap) = 0.016
Adjusted R^2 (Cheap) = 0.037
Adjusted R^2 (Expensive) = -0.003
Adjusted R^2 (Too Expensive) = 0.035

Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the Sweden group has 56 responses and the Poland group 61 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 3) *Homogeneity of variances*: Confirmed, by running the Levene's test for the consumers' WTP, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

	F	df1	df2	Sig.
WTP	0.049	1	115	0.825

- 4) *Same slope of the regression line in each group*: Confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, which means that the regression lines have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1785117.110	12	148759.759	1.330	0.213
Intercept	781487.269	1	781487.269	6.985	0.009

COO*CET	154979.186	2	77489.593	0.693	0.503
COO*CXEN	108142.403	2	54071.202	0.483	0.618
COO*P_Invol.	400072.017	2	200036.009	1.788	0.172
COO*Price_Sens.	647061.221	2	323530.610	2.892	0.060
COO*Pr.Ethnicity Sweden	135702.158	2	67851.079	0.606	0.547
COO*Pr.Ethnicity Poland	183015.453	2	91507.727	,818	,444

5) *Linear relationship between dependent variable and covariates:* Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

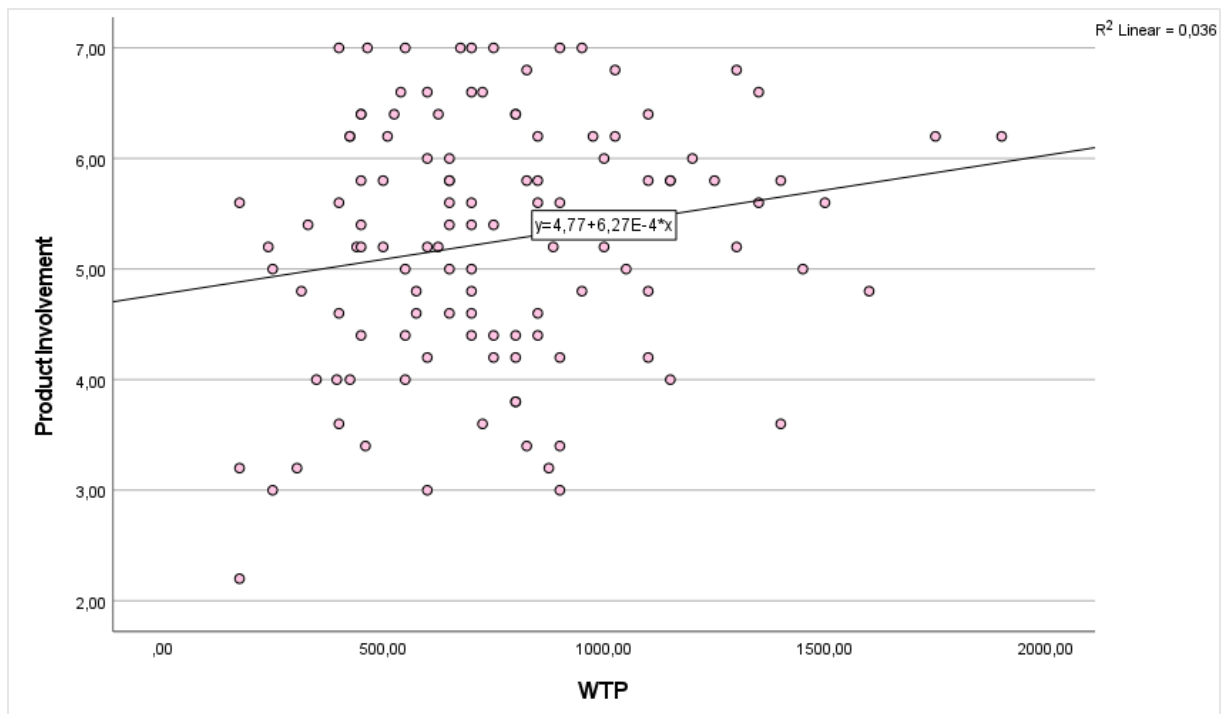
	COO	N	M (in €)	SD (in €)
WTP	Sweden	56	803.39	355.02
	Poland	61	716.68	323.23
	<i>total</i>	<i>117</i>	<i>758.18</i>	<i>340.14</i>

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1094344.066 ^a	7	156334.867	1.382	0.220
Intercept	816017.157	1	816017.157	7.216	0.008
Consumer Ethnocentrism	27027.066	1	27027.066	0.239	0.626
Consumer Xenocentrism	35386.190	1	35386.190	0.313	0.577
Product Involvement	480699.903	1	480699.903	4.251	0.042
Price Sensitivity	270867.116	1	270867.116	2.395	0.125
Product Ethnicity Sweden	22410.583	1	22410.583	0.198	0.657
Product Ethnicity Poland	111639.494	1	111639.494	0.987	0.323
COO	232460.726	1	232460.726	2.056	0.155

^a Adjusted R² = 0.023

Scatterplot WTP & Product Involvement



Main Analysis: H1b – Inferior Product

Descriptives

		n	%
Inferior Product	Sweden	60	54.5
	Poland	50	45.5
	total	110	100

Assumptions MANCOVA

- 1) *Two or more continuous dependent variables*: Confirmed, the pricing footprint consists of four continuous variables.
- 2) *Categorical independent variable*: Confirmed, the independent variable COO is categorical and contains the 2 groups, Sweden, and Poland.
- 3) *Continuous covariates*: Confirmed, all covariates, which have been included are continuous.
- 4) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 5) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the Sweden group has 60 responses and the Poland group 50 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 6) *Homogeneity of variances for each dependent variable*: Confirmed, by running the Leven's test for each level of the pricing footprint. On all four levels the test was not significant, which means that the homogeneity of the variances for each dependent variable can be confirmed.

Levene's Test of Equality of Error Variances

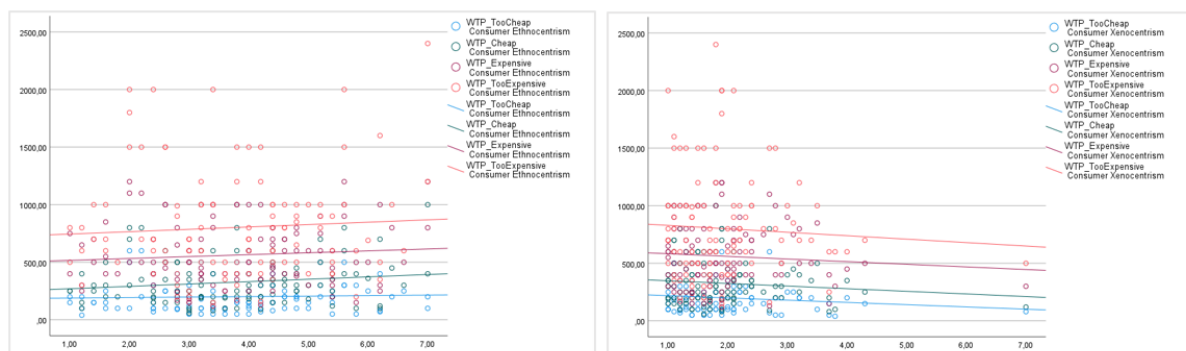
	F	df1	df2	Sig.
Too Cheap	0.998	1	108	0.320
Cheap	0.863	1	108	0.355
Expensive	0.610	1	108	0.437
Too Expensive	0.014	1	108	0.905

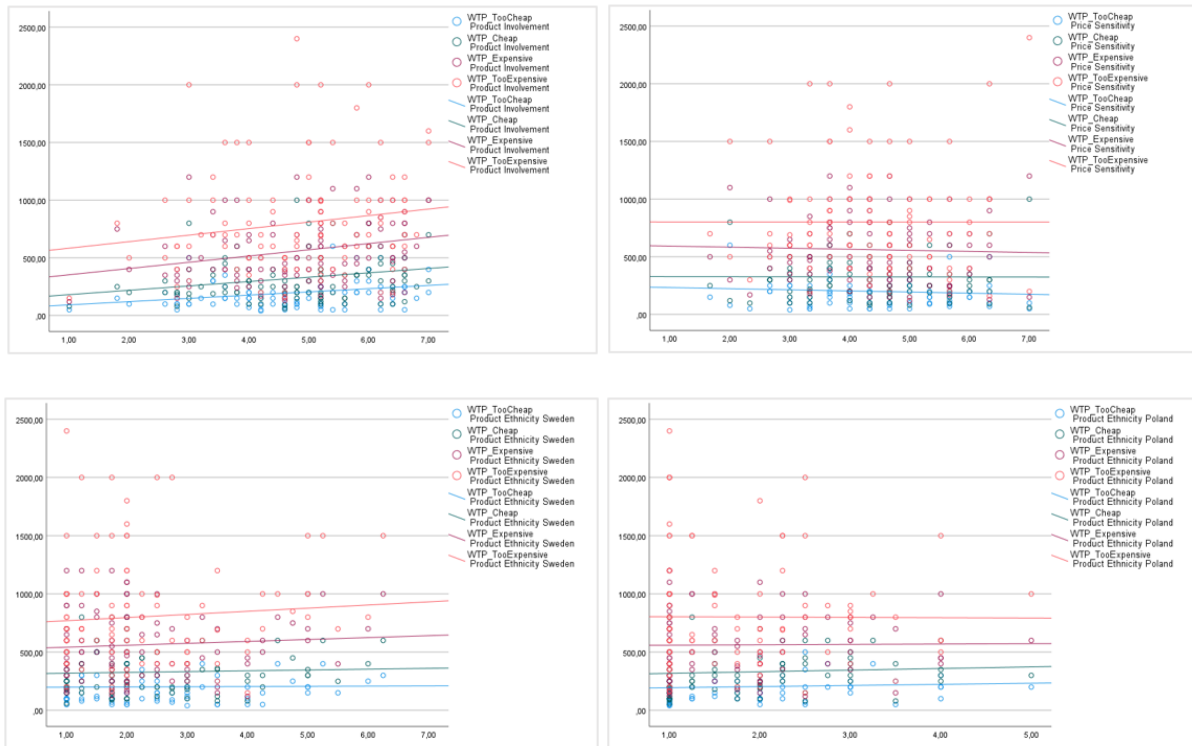
7) *Homogeneity of covariates*: Violated, as the Box's test is significant. Therefore, the homogeneity of covariances cannot be confirmed.

Box's Test of Equality of Covariance Matrices

Box's M	53.016
F	5.087
Df1	10
Df2	51698.833
Sig.	< 0.001

8) *Linear relationship between dependent variables and covariates*: Confirmed, by plotting each dependent variable with the covariates. In each case, a linear relationship can be confirmed.





9) *Same slope of the regression line in each group:* Confirmed, by running the MANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant, which means that the regression lines have the same slope.

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.060	1.511	4.000	94.000	0.205
COO*CET	0.102	1.275	8.000	190.000	0.258
COO*CXEN	0.079	0.978	8.000	190.000	0.455
COO*P_Invol.	0.144	1.843	8.000	190.000	0.071
COO*Price_Sens.	0.080	0.991	8.000	190.000	0.445
COO*Pr.Ethnicity Sweden	0.092	1.144	8.000	190.000	0.336
COO*Pr.Ethnicity Poland	0.083	1.029	8.000	190.000	0.415

MANCOVA Test Statistic

Descriptive Statistics

Pricing-Footprint	COO	N	M (in €)	SD (in €)
Too Cheap	Sweden	60	218.56	137.11
	Poland	50	179.36	117.13
	<i>total</i>	<i>110</i>	<i>200,75</i>	<i>129,33</i>
Cheap	Sweden	60	341.40	195.98
	Poland	50	309.36	179.92
	<i>total</i>	<i>110</i>	<i>326.84</i>	<i>188.67</i>
Expensive	Sweden	60	566.60	284.49
	Poland	50	556.18	263.19
	<i>total</i>	<i>110</i>	<i>561.86</i>	<i>273.81</i>
Too Expensive	Sweden	60	786.60	435.87
	Poland	50	819.80	477.61
	<i>total</i>	<i>110</i>	<i>801.69</i>	<i>453.49</i>

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.067	1.767	4.000	99.000	0.141
Consumer Ethnocentrism	0.055	1.440	4.000	99.000	0.226
Consumer Xenocentrism	0.029	0.751	4.000	99.000	0.560
Product Involvement	0.087	2.365	4.000	99.000	0.058
Price Sensitivity	0.034	0.873	4.000	99.000	0.483
Product Ethnicity Sweden	0.026	0.666	4.000	99.000	0.617
Product Ethnicity Poland	0.040	1.040	4.000	99.000	0.390
COO	0.046	1.195	4.000	99.000	0.318

Adjusted R^2 (Too Cheap) = 0.077

Adjusted R^2 (Cheap) = 0.035

Adjusted R^2 (Expensive) = 0.012

Adjusted R^2 (Too Expensive) = -0.030

Tests of Between-Subject Effect of Significant Multivariate Tests

Source	DV	Type III Sum of Squares	df	Mean Square	F	Sig.
Product Involvement	Too Cheap	122391.098	1	122391.098	7.926	0.006
	Cheap	184510.595	1	184510.595	5.371	0.022
	Expensive	424733.788	1	424733.788	5.734	0.018
	Too Expensive	440218.366	1	440218.366	2.079	0.152

Scatterplot Pricing-Footprint & Product Involvement



Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the Sweden group has 60 responses and the Poland group 50 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 3) *Homogeneity of variances*: Confirmed, by running the Levene's test for the consumers' WTP, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

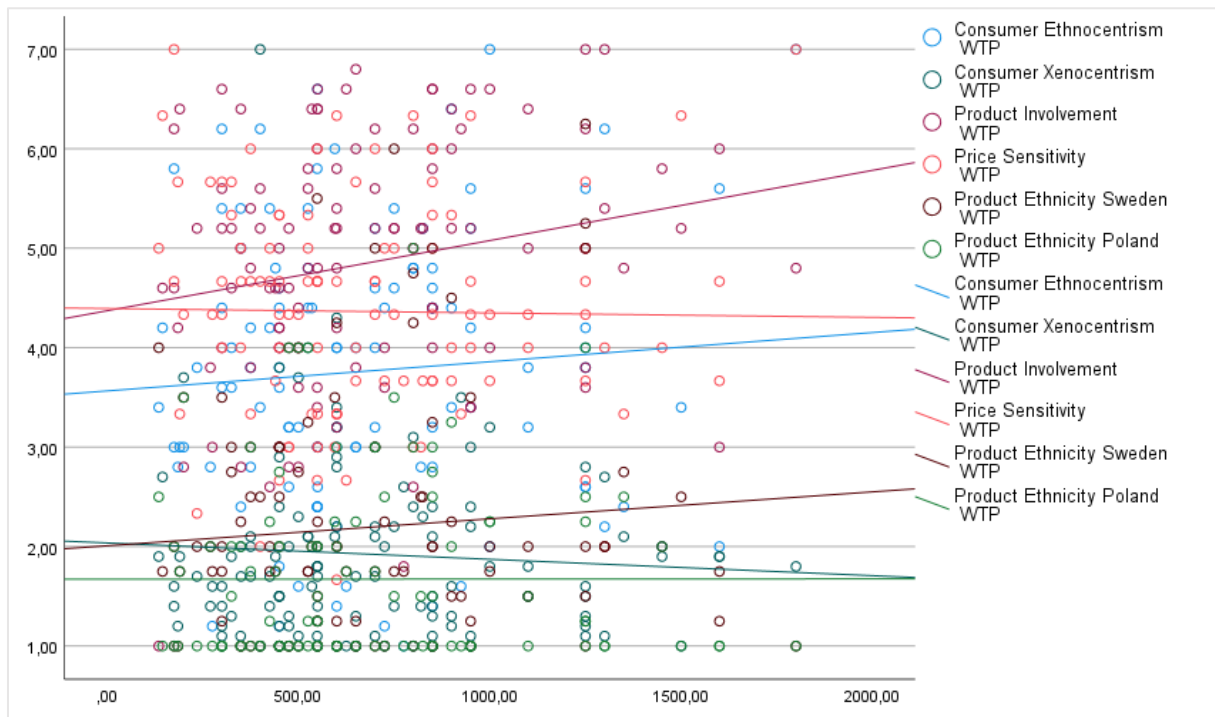
	F	df1	df2	Sig.
WTP	0.053	1	108	0.818

- 4) *Same slope of the regression line in each group*: Confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, which means that the regression lines have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1015946.514	12	84662.209	0.646	0.798
Intercept	412797.044	1	412797.044	3.147	0.079
COO*CET	7175.551	2	3587.776	0.027	0.973
COO*CXEN	67726.234	2	33863.117	0.258	0.773
COO*P_Invol.	572571.155	2	286285.578	2.183	0.118
COO*Price_Sens.	233476.794	2	116738.397	0.890	0.414
COO*Pr.Ethnicity Sweden	113617.319	2	56808.660	0.433	0.650
COO*Pr.Ethnicity Poland	33357.117	2	16678.559	0.127	0.881

- 5) *Linear relationship between dependent variable and covariates:* Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

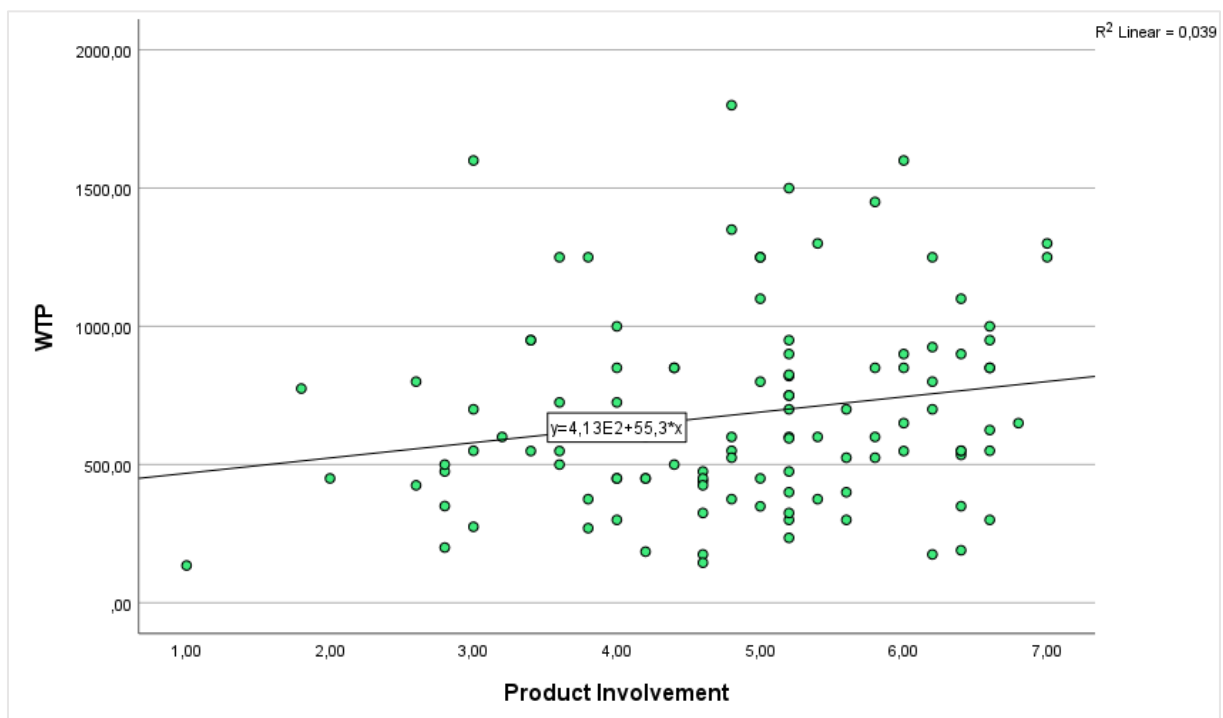
	COO	N	M (in €)	SD (in €)
WTP	Sweden	60	676.60	354.04
	Poland	50	687.99	359.69
	<i>total</i>	<i>110</i>	<i>681.78</i>	<i>355.02</i>

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	690914.871 ^a	7	98702.124	0.772	0.612
Intercept	502017.406	1	502017.406	3.925	0.050
Consumer Ethnocentrism	5472.409	1	5472.409	0.043	0.837
Consumer Xenocentrism	62967.086	1	62967.086	0.492	0.485

Product Involvement	432441.423	1	432441.423	3.381	0.069
Price Sensitivity	10566.151	1	10566.151	0.083	0.774
Product Ethnicity Sweden	81421.726	1	81421.726	0.637	0.427
Product Ethnicity Poland	15955.439	1	15955.439	0.125	0.725
COO	3357.054	1	3357.054	0.026	0.872
^a Adjusted R ² = -0.015					

Scatterplot WTP & Product Involvement



Main Analysis: H2a – Superior COO

Descriptives

		n	%
Superior COO (Sweden)	Superior Product	56	48.3
	Inferior Product	60	51.7
	total	116	100

Assumptions MANCOVA

- 1) *Two or more continuous dependent variables*: Confirmed, the pricing footprint consists of four continuous variables.
- 2) *Categorical independent variable*: Confirmed, the independent variable Product is categorical and contains the 2 groups, superior and inferior product.
- 3) *Continuous covariates*: Confirmed, all covariates, which have been included are continuous.
- 4) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 5) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the superior group has 56 responses and the inferior group 60 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 6) *Homogeneity of variances for each dependent variable*: Confirmed, by running the Leven's test for each level of the pricing footprint. On all four levels the test was not significant, which means that the homogeneity of the variances for each dependent variable can be confirmed.

Levene's Test of Equality of Error Variances

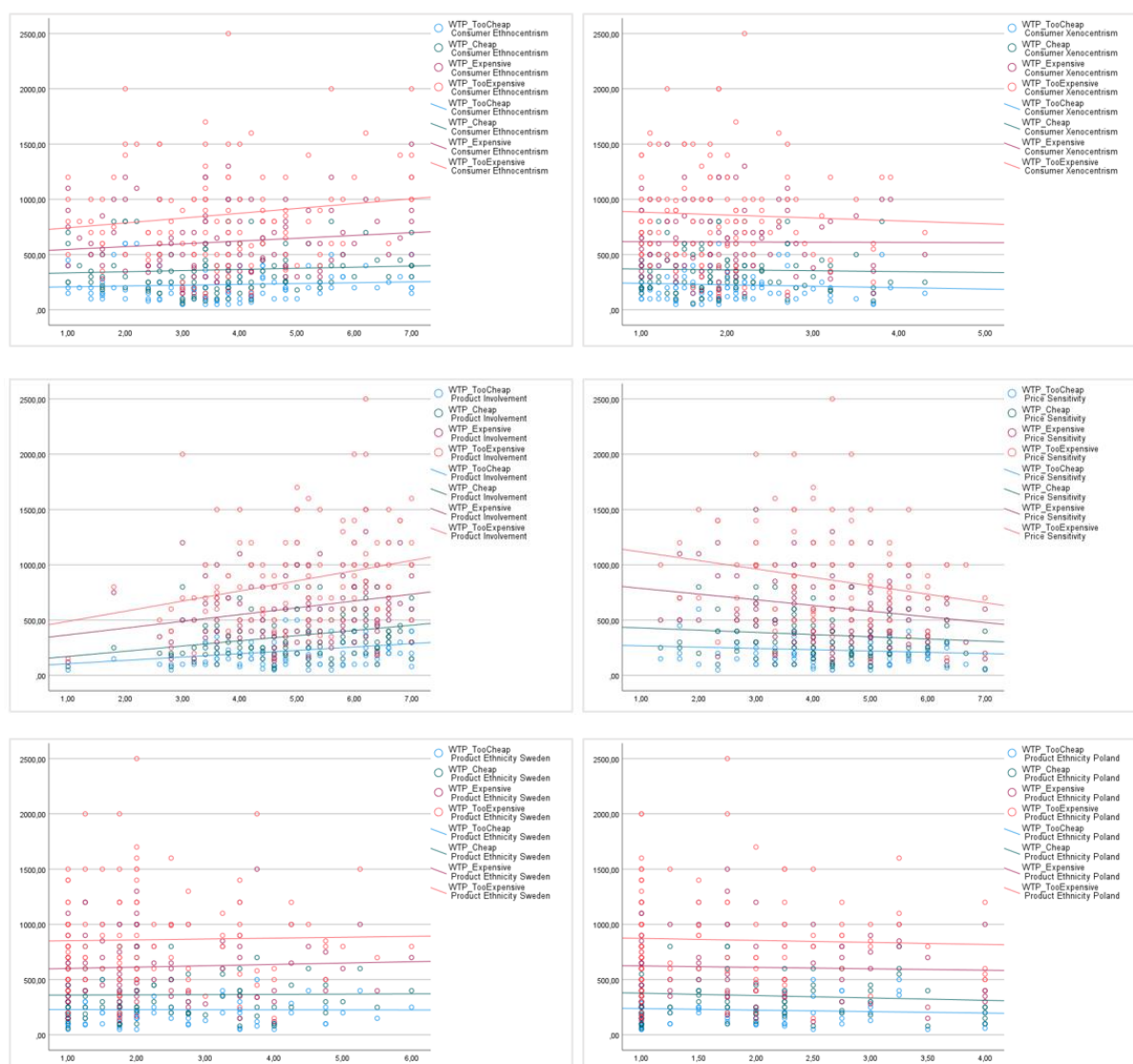
	F	df1	df2	Sig.
Too Cheap	0.223	1	114	0.637
Cheap	0.470	1	114	0.494
Expensive	0.987	1	114	0.323
Too Expensive	0.300	1	114	0.585

- 7) *Homogeneity of covariates*: Violated, as the Box's test is significant. Therefore, the homogeneity of covariances cannot be confirmed.

Box's Test of Equality of Covariance Matrices

Box's M	23.720
F	2.282
Df1	10
Df2	61446.899
Sig.	0.011

8) *Linear relationship between dependent variables and covariates:* Confirmed, by plotting each dependent variable with the covariates. In each case, a linear relationship can be confirmed.



- 9) *Same slope of the regression line in each group*: Confirmed, by running the MANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant, which means that the regression lines have the same slope.

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.073	1.955	4.000	100.000	0.107
COO*CET	0.058	0.755	8.000	202.000	0.643
COO*CXEN	0.039	0.500	8.000	202.000	0.855
COO*P_Invol.	0.075	0.989	8.000	202.000	0.446
COO*Price_Sens.	0.113	1.519	8.000	202.000	0.152
COO*Pr.Ethnicity Sweden	0.056	0.721	8.000	202.000	0.673
COO*Pr.Ethnicity Poland	0.060	0.781	8.000	202.000	0.620

MANCOVA Test Statistic

Descriptive Statistics

Pricing-Footprint	Product	N	M (in €)	SD (in €)
Too Cheap	Superior	56	239.00	131.18
	Inferior	60	218.57	137.11
	<i>total</i>	<i>116</i>	<i>228.43</i>	<i>134.09</i>
Cheap	Superior	56	385.00	192.27
	Inferior	60	341.40	195.98
	<i>total</i>	<i>116</i>	<i>362.45</i>	<i>194.58</i>
Expensive	Superior	56	666.79	302.90
	Inferior	60	566.60	284.49
	<i>total</i>	<i>116</i>	<i>614.97</i>	<i>296.53</i>
Too Expensive	Superior	56	940.00	428.41
	Inferior	60	786.60	435.87
	<i>total</i>	<i>116</i>	<i>860.66</i>	<i>437.24</i>

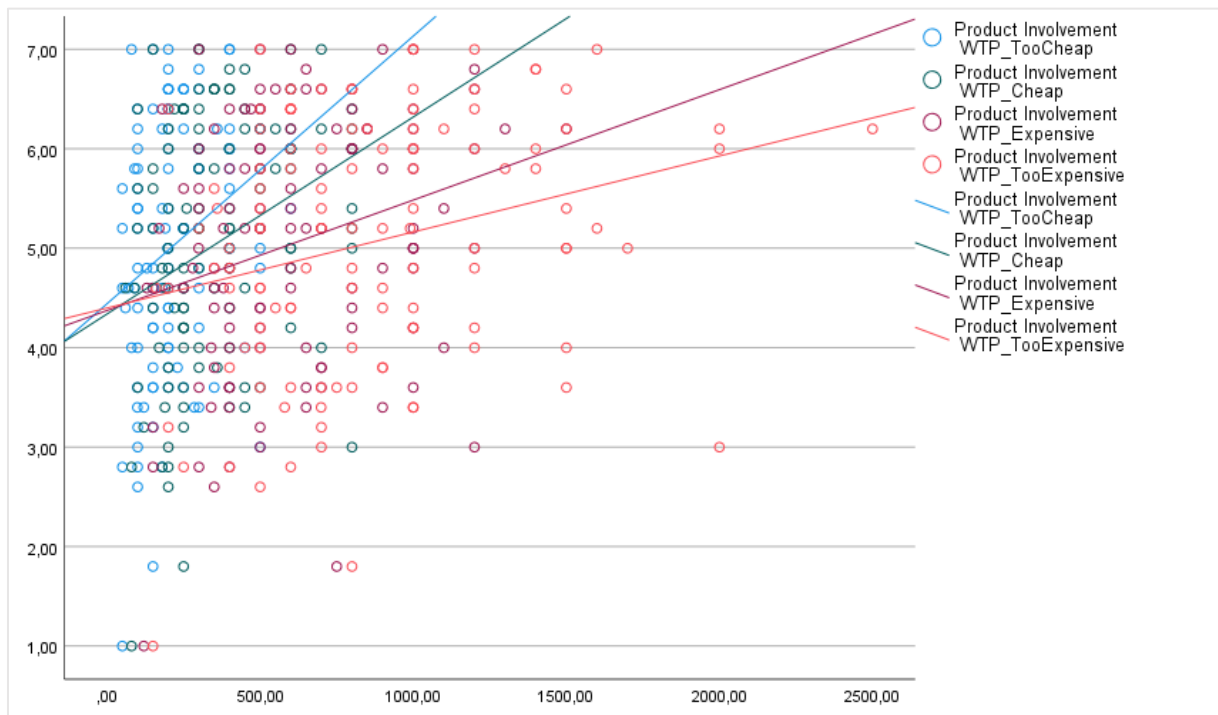
Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.083	2.368	4.000	105.000	0.057
Consumer Ethnocentrism	0.023	0.618	4.000	105.000	0.651
Consumer Xenocentrism	0.026	0.713	4.000	105.000	0.585
Product Involvement	0.081	2.309	4.000	105.000	0.063
Price Sensitivity	0.074	2.084	4.000	105.000	0.088
Product Ethnicity Sweden	0.036	0.990	4.000	105.000	0.416
Product Ethnicity Poland	0.041	1.116	4.000	105.000	0.353
Product	0.038	1.039	4.000	105.000	0.391
Adjusted R ² (Too Cheap) = 0.047 Adjusted R ² (Cheap) = 0.079 Adjusted R ² (Expensive) = 0.097 Adjusted R ² (Too Expensive) = 0.092					

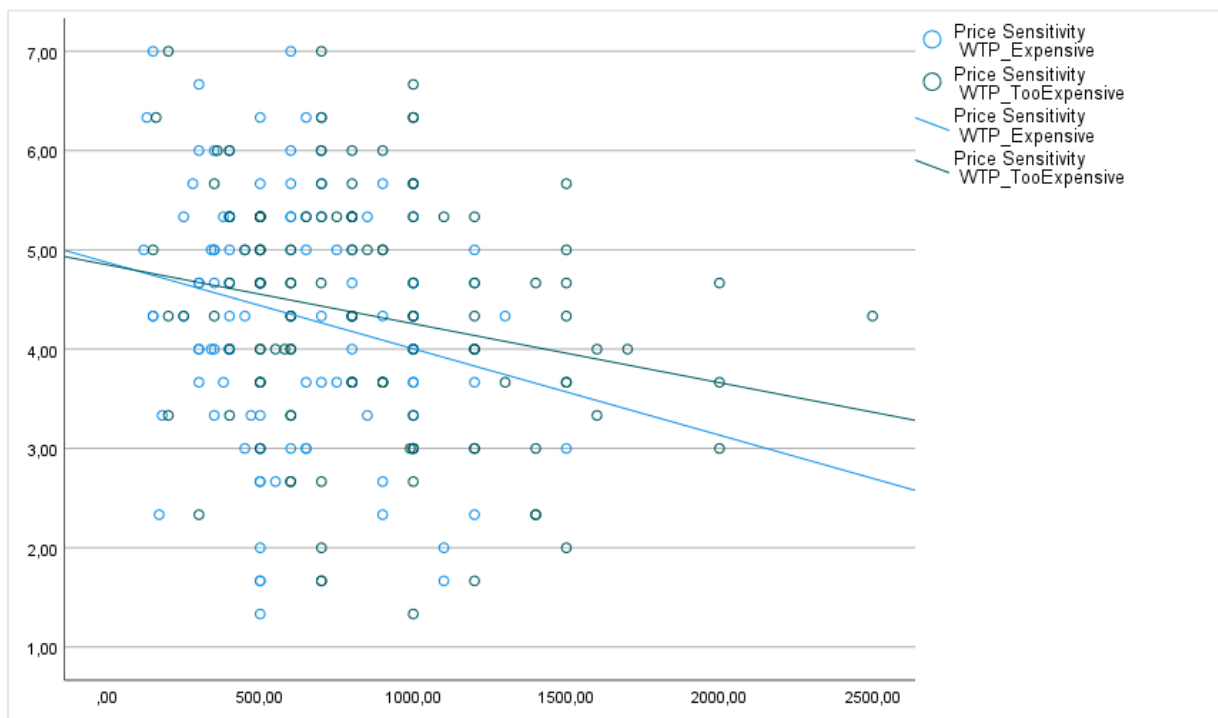
Tests of Between-Subject Effect of Significant Multivariate Tests

Source	DV	Type III Sum of Squares	df	Mean Square	F	Sig.
Product Involvement	Too Cheap	133035.864	1	133035.864	7.761	0.006
	Cheap	320247.762	1	320247.762	9.185	0.003
	Expensive	450707.181	1	450707.181	5.679	0.019
	Too Expensive	916466.871	1	916466.871	5.277	0.024
Price Sensitivity	Too Cheap	26745.631	1	26745.631	1.560	0.214
	Cheap	90348.090	1	90348.090	2.591	0.110
	Expensive	518005.138	1	518005.138	6.527	0.012
	Too Expensive	1020867.678	1	1020867.678	5.878	0.017

Scatterplot Pricing-Footprint & Product Involvement



Scatterplot Pricing-Footprint & Price Sensitivity



Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the superior group has 56 responses and the inferior group 60 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 3) *Homogeneity of variances*: Confirmed, by running the Levene's test for the consumers' WTP, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

	F	df1	df2	Sig.
WTP	0.038	1	114	0.846

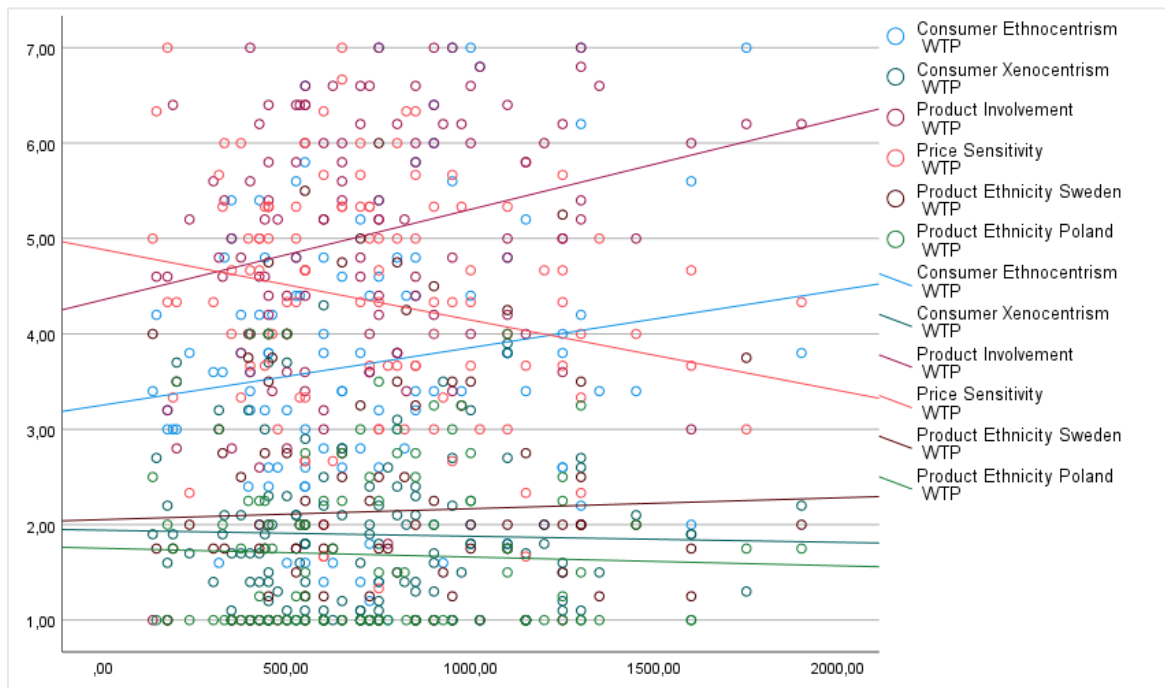
- 4) *Same slope of the regression line in each group*: Partially confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, except for the control variable price sensitivity, which means that the regression lines of all variables, except for price sensitivity, have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2476958.247	12	206413.187	1.726	0.072
Intercept	859768.665	1	859768.665	7.190	0.009
COO*CET	100797.901	2	50398.951	0.421	0.657
COO*CXEN	102174.872	2	51087.436	0.427	0.653
COO*P_Invol.	626836.593	2	313418.296	2.621	0.078

COO*Price_Sens.	761403.208	2	380701.604	3.184	0.046
COO*Pr.Ethnicity Sweden	176471.021	2	88235.510	0.738	0.481
COO*Pr.Ethnicity Poland	191296.761	2	95648.380	0.800	0.452

5) *Linear relationship between dependent variable and covariates:* Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

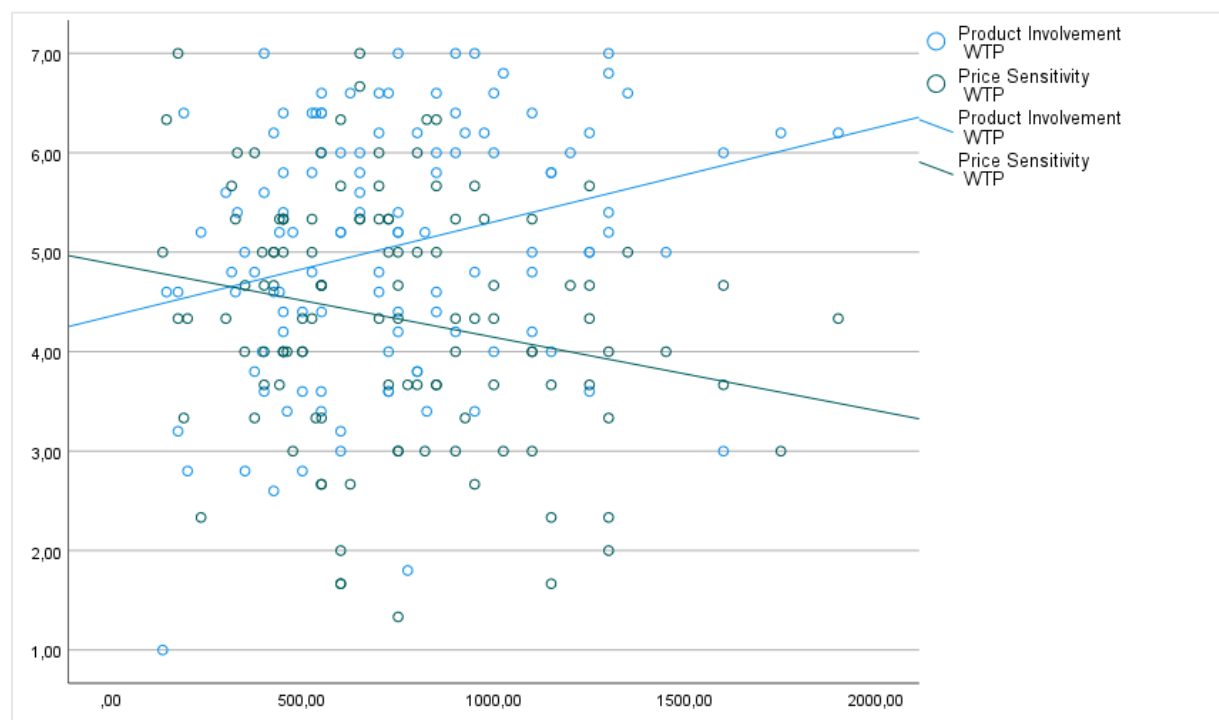
	Product	N	M (in €)	SD (in €)
WTP	Superior	56	803.39	355.02
	Inferior	60	676.60	354.04
	<i>total</i>	<i>116</i>	<i>737.81</i>	<i>358.66</i>

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
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Corrected Model	2293296.677 ^a	7	327613.811	2.831	0.010
Intercept	948435.040	1	948435.040	8.195	0.005
Consumer Ethnocentrism	52005.113	1	52005.113	0.449	0.504
Consumer Xenocentrism	16660.963	1	16660.963	0.144	0.705
Product Involvement	663141.533	1	663141.533	5.730	0.018
Price Sensitivity	748316.438	1	748316.438	6.466	0.012
Product Ethnicity Sweden	178898.076	1	178898.076	1.546	0.216
Product Ethnicity Poland	145422.239	1	145422.239	1.256	0.265
Product	285939.896	1	285939.896	2.471	0.119
^a Adjusted R ² = 0.100					

Scatterplot WTP & Product Involvement & Price Sensitivity



Main Analysis: H2b – Inferior COO

Descriptives

	n	%
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Inferior COO (Poland)	Superior Product	61	55.0
	Inferior Product	50	45.0
	<i>total</i>	<i>111</i>	<i>100</i>

Assumptions MANCOVA

- 1) *Two or more continuous dependent variables*: Confirmed, the pricing footprint consists of four continuous variables.
- 2) *Categorical independent variable*: Confirmed, the independent variable Product is categorical and contains the 2 groups, superior and inferior product.
- 3) *Continuous covariates*: Confirmed, all covariates, which have been included are continuous.
- 4) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 5) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the superior group has 61 responses and the inferior group 50 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 6) *Homogeneity of variances for each dependent variable*: Confirmed, by running the Leven's test for each level of the pricing footprint. On all four levels the test was not significant, which means that the homogeneity of the variances for each dependent variable can be confirmed.

Levene's Test of Equality of Error Variances

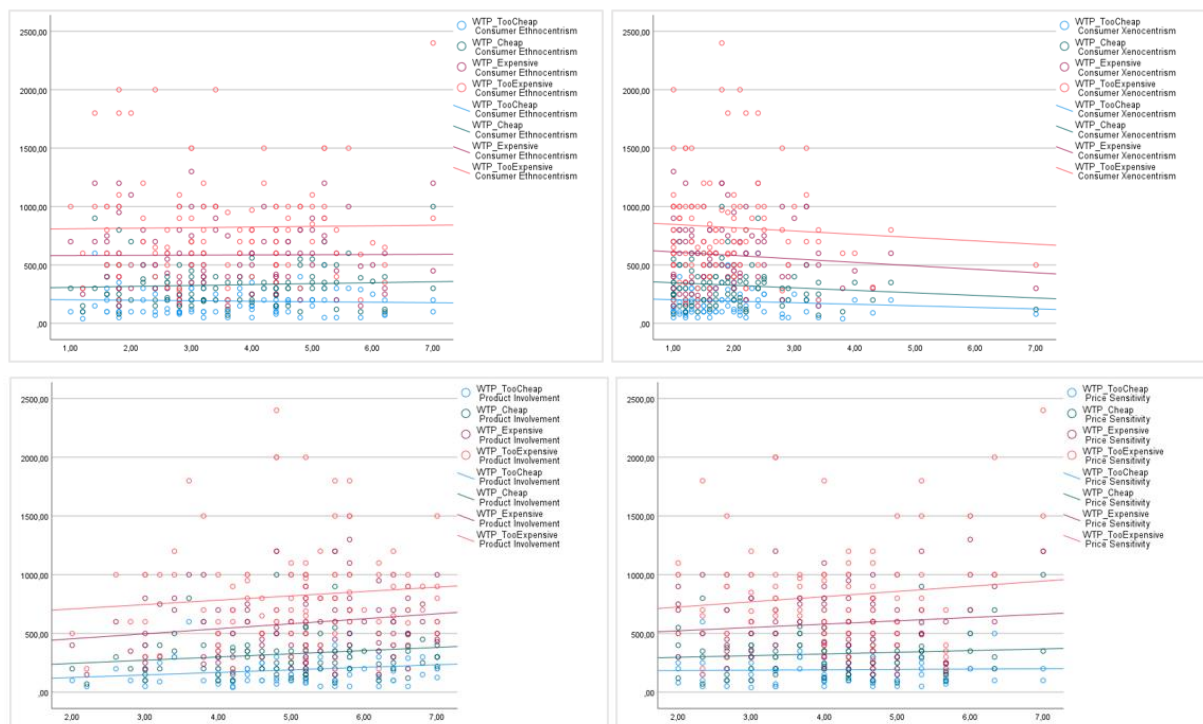
	F	df1	df2	Sig.
Too Cheap	0.040	1	109	0.842
Cheap	0.029	1	109	0.866
Expensive	0.220	1	109	0.640
Too Expensive	0.380	1	109	0.539

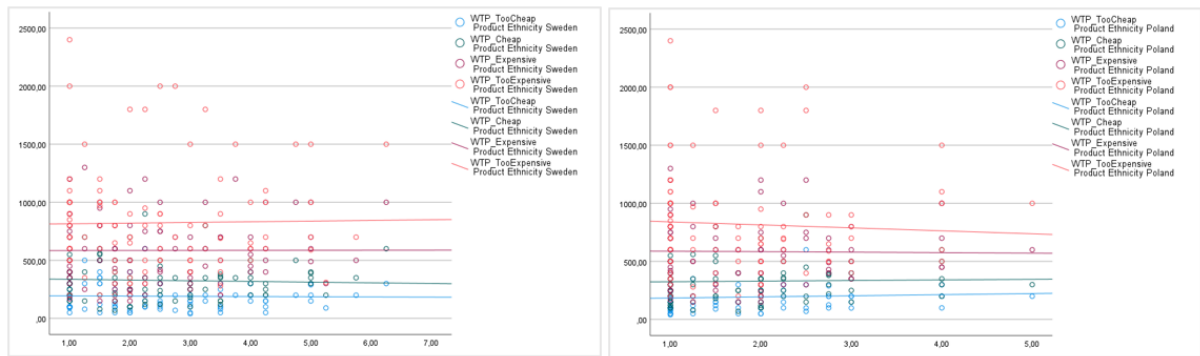
- 7) *Homogeneity of covariates*: Violated, as the Box's test is significant. Therefore, the homogeneity of covariances cannot be confirmed.

Box's Test of Equality of Covariance Matrices

Box's M	47.685
F	4.577
Df1	10
Df2	51936.982
Sig.	< 0.001

- 8) *Linear relationship between dependent variables and covariates*: Confirmed, by plotting each dependent variable with the covariates. In each case, a linear relationship can be confirmed.





9) *Same slope of the regression line in each group:* Confirmed, by running the MANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant, which means that the regression lines have the same slope.

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.040	0.987	4.000	95.000	0.419
COO*CET	0.106	1.349	8.000	192.000	0.222
COO*CXEN	0.042	0.520	8.000	192.000	0.841
COO*P_Invol.	0.139	1.786	8.000	192.000	0.082
COO*Price_Sens.	0.084	1.057	8.000	192.000	0.395
COO*Pr.Ethnicity Sweden	0.074	0.927	8.000	192.000	0.495
COO*Pr.Ethnicity Poland	0.092	1.158	8.000	192.000	0.327

MANCOVA Test Statistic

Descriptive Statistics

Pricing-Footprint	Product	N	M (in €)	SD (in €)
Too Cheap	Superior	61	201.48	119.80
	Inferior	50	179.36	117.13
	<i>total</i>	<i>111</i>	<i>191.51</i>	<i>118.58</i>
Cheap	Superior	61	344.39	162.69

	Inferior	50	309.36	179.92
	<i>total</i>	<i>111</i>	<i>328.61</i>	<i>170.77</i>
Expensive	Superior	61	608.82	268.15
	Inferior	50	556.18	263.19
	<i>total</i>	<i>111</i>	<i>585.11</i>	<i>266.02</i>
Too Expensive	Superior	61	824.54	390.75
	Inferior	50	819.80	477.61
	<i>total</i>	<i>111</i>	<i>822.41</i>	<i>430.00</i>

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.044	1.158	4.000	100.000	0.334
Consumer Ethnocentrism	0.060	1.595	4.000	100.000	0.181
Consumer Xenocentrism	0.006	0.157	4.000	100.000	0.960
Product Involvement	0.048	1.262	4.000	100.000	0.290
Price Sensitivity	0.020	0.499	4.000	100.000	0.736
Product Ethnicity Sweden	0.025	0.652	4.000	100.000	0.627
Product Ethnicity Poland	0.028	0.716	4.000	100.000	0.583
Product	0.048	1.265	4.000	100.000	0.289
Adjusted R ² (Too Cheap) = 0.003					
Adjusted R ² (Cheap) = -0.002					
Adjusted R ² (Expensive) = -0.011					
Adjusted R ² (Too Expensive) = -0.041					

Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and, in this case, the superior

group has 61 responses and the inferior group 50 respondents. Therefore, we can assume the normal distribution (Field, 2018).

- 3) *Homogeneity of variances*: Confirmed, by running the Leven's test for the consumers' WTP, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

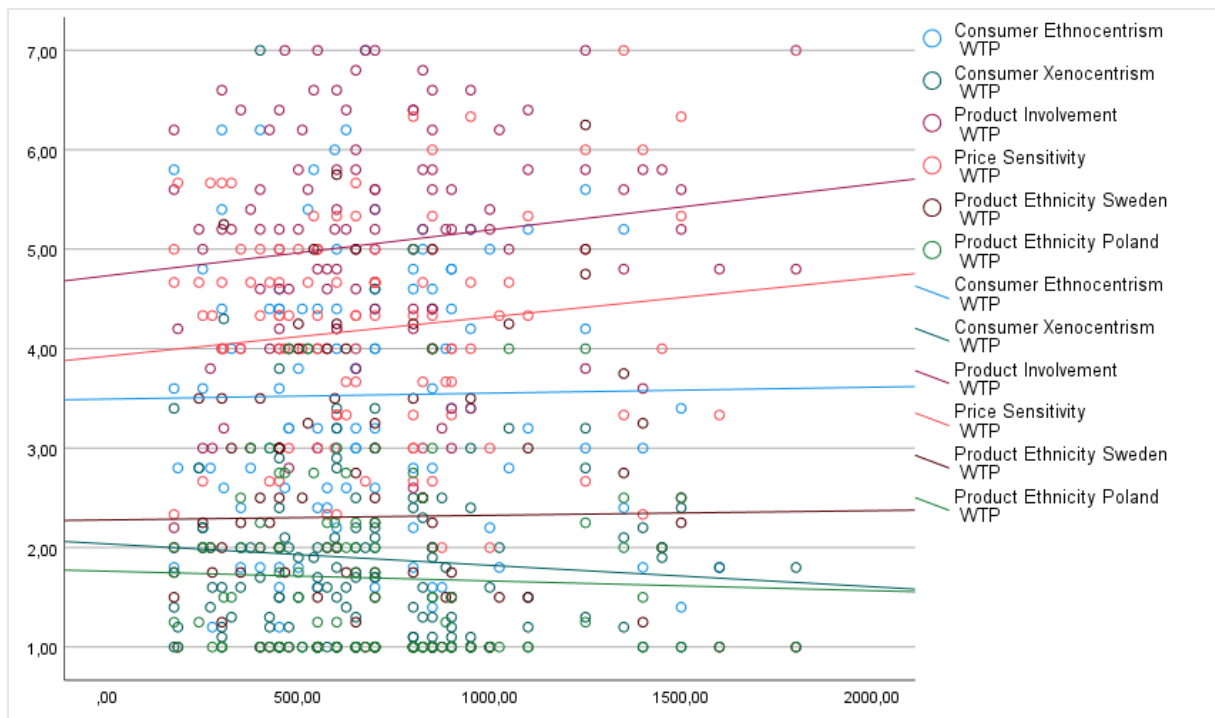
	F	df1	df2	Sig.
WTP	0.048	1	109	0.826

- 4) *Same slope of the regression line in each group*: Confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, which means that the regression lines of all variables have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	618401.069	12	51533.422	0.420	0.952
Intercept	363600.454	1	363600.454	2.966	0.088
COO*CET	27619.731	2	13809.865	0.113	0.894
COO*CXEN	95124.513	2	47562.257	0.388	0.679
COO*P_Invol.	192557.513	2	96278.757	0.785	0.459
COO*Price_Sens.	97299.801	2	48649.900	0.397	0.673
COO*Pr.Ethnicity Sweden	93925.299	2	46962.649	0.383	0.683
COO*Pr.Ethnicity Poland	33436.555	2	16718.278	0.136	0.873

- 5) *Linear relationship between dependent variable and covariates*: Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

	Product	N	M (in €)	SD (in €)
WTP	Superior	61	716.68	323.23
	Inferior	50	687.99	359.69
	<i>total</i>	<i>111</i>	<i>703.76</i>	<i>338.86</i>

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	422169.947 ^a	7	60309.992	0.509	0.826
Intercept	514095.822	1	514095.822	4.337	0.040
Consumer Ethnocentrism	1549.276	1	1549.276	0.013	0.909
Consumer Xenocentrism	11911.307	1	11911.307	0.100	0.752
Product Involvement	141662.506	1	141662.506	1.195	0.277
Price Sensitivity	119200.046	1	119200.046	1.006	0.318
Product Ethnicity Sweden	4377.661	1	4377.661	0.037	0.848

Product Ethnicity Poland	23994.760	1	23994.760	0.202	0.654
Product	12870.154	1	12870.154	0.109	0.742
^a Adjusted R ² = -0.032					

Main Analysis: H3a – Superiority vs. Inferiority

Descriptives

		n	%
Combination	Superior COO + Product	56	52.8
	Inferior COO + Product	50	47.2
	<i>total</i>	<i>106</i>	<i>100</i>

Assumptions MANCOVA

- 1) *Two or more continuous dependent variables*: Confirmed, the pricing footprint consists of four continuous variables.
- 2) *Categorical independent variable*: Confirmed, the independent variable product combination is categorical and contains 2 groups, the superior product combination and the inferior product combination.
- 3) *Continuous covariates*: Confirmed, all covariates, which have been included are continuous.
- 4) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 5) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the superior combination has 56 responses and the inferior combination 50 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 6) *Homogeneity of variances for each dependent variable*: Confirmed, by running the Leven's test for each level of the pricing footprint. On all four levels the test was not significant, which means that the homogeneity of the variances for each dependent variable can be confirmed.

Levene's Test of Equality of Error Variances

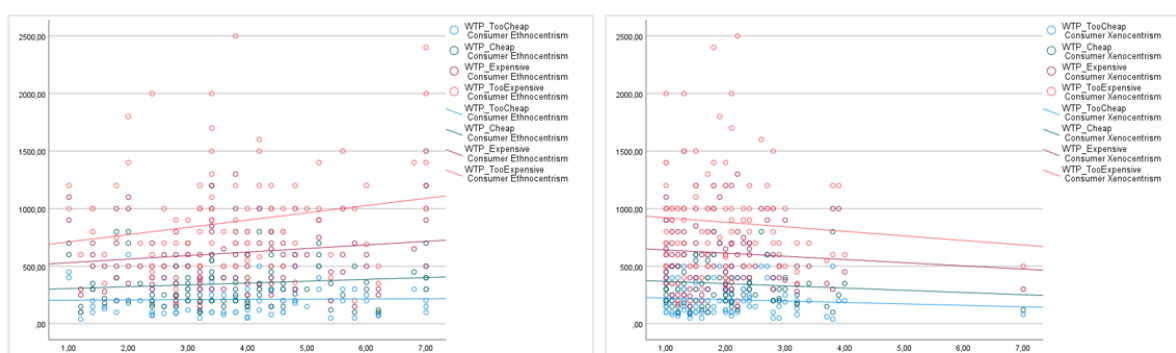
	F	df1	df2	Sig.
Too Cheap	1.952	1	104	0.165
Cheap	1.488	1	104	0.225
Expensive	2.256	1	104	0.136
Too Expensive	0.397	1	104	0.530

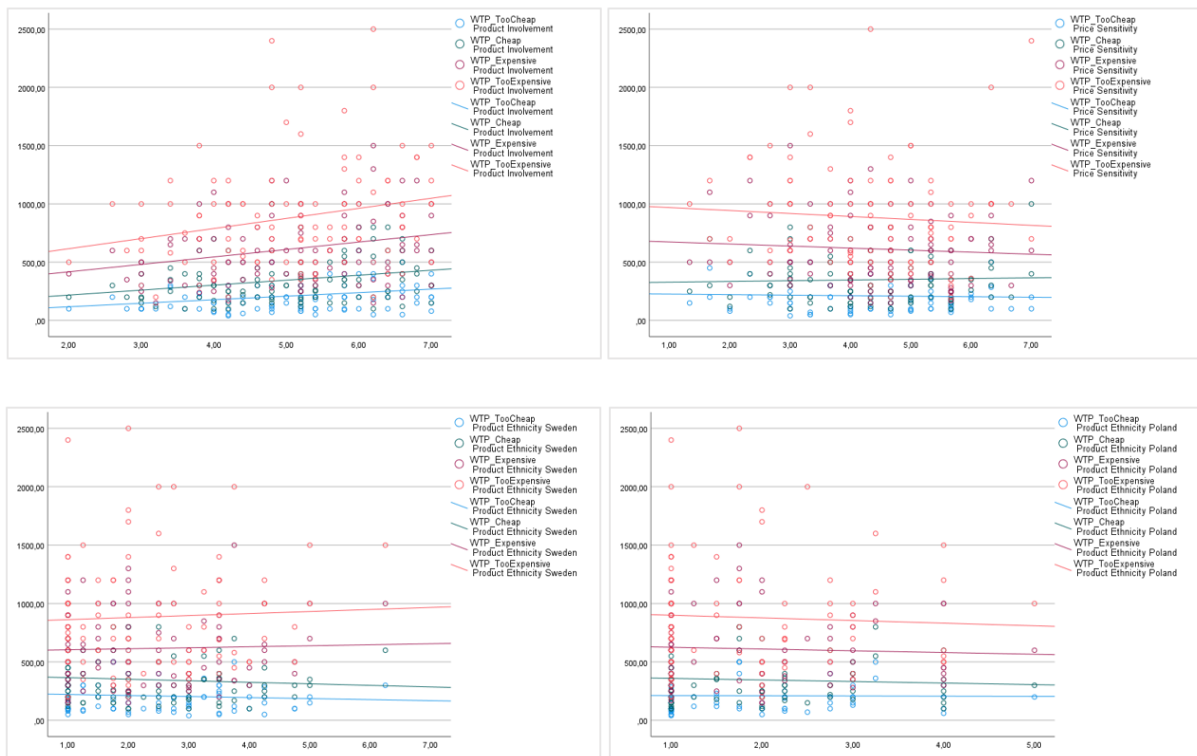
7) *Homogeneity of covariates*: Violated, as the Box's test is significant. Therefore, the homogeneity of covariances cannot be confirmed.

Box's Test of Equality of Covariance Matrices

Box's M	37.790
F	3.621
Df1	10
Df2	50191.158
Sig.	< 0.001

8) *Linear relationship between dependent variables and covariates*: Confirmed, by plotting each dependent variable with the covariates. In each case, a linear relationship can be confirmed.





9) *Same slope of the regression line in each group:* Confirmed, by running the MANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant, which means that the regression lines have the same slope.

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.049	1.162	4.000	90.000	0.333
PCombination*CET	0.123	1.492	8.000	182.000	0.163
PCombination*CXEN	0.059	0.695	8.000	182.000	0.696
PCombination *P_Invol.	0.130	1.580	8.000	182.000	0.133
PCombination *Price_Sens.	0.116	1.405	8.000	182.000	0.197
PCombination *Pr.Ethnicity Sweden	0.094	1.117	8.000	182.000	0.354
PCombination *Pr.Ethnicity Poland	0.098	1.169	8.000	182.000	0.320

MANCOVA Test Statistic

Descriptive Statistics

Pricing-Footprint	Combination	N	M (in €)	SD (in €)
Too Cheap	Superior	56	239.00	131.18
	Inferior	50	179.36	117.13
	<i>total</i>	<i>106</i>	<i>210.87</i>	<i>127.71</i>
Cheap	Superior	56	385.00	192.27
	Inferior	50	309.36	179.92
	<i>total</i>	<i>106</i>	<i>349.32</i>	<i>189.50</i>
Expensive	Superior	56	666.79	302.90
	Inferior	50	556.18	263.19
	<i>total</i>	<i>106</i>	<i>614.61</i>	<i>288.90</i>
Too Expensive	Superior	56	940.00	428.41
	Inferior	50	819.80	477.61
	<i>total</i>	<i>106</i>	<i>883.30</i>	<i>454.12</i>

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.054	1.368	4.000	95.000	0.251
Consumer Ethnocentrism	0.050	1.246	4.000	95.000	0.297
Consumer Xenocentrism	0.011	0.269	4.000	95.000	0.897
Product Involvement	0.066	1.687	4.000	95.000	0.159
Price Sensitivity	0.068	1.731	4.000	95.000	0.150
Product Ethnicity Sweden	0.047	1.165	4.000	95.000	0.331
Product Ethnicity Poland	0.024	0.575	4.000	95.000	0.681
Product Combination	0.036	0.900	4.000	95.000	0.467
Adjusted R ² (Too Cheap) = 0.065					
Adjusted R ² (Cheap) = 0.048					
Adjusted R ² (Expensive) = 0.051					
Adjusted R ² (Too Expensive) = 0.032					

Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and, in this case, the superior combination has 56 responses and the inferior combination 60 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 3) *Homogeneity of variances*: Confirmed, by running the Levene's test for the consumers' WTP, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

	F	df1	df2	Sig.
WTP	0.029	1	104	0.866

- 4) *Same slope of the regression line in each group*: Confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, which means that the regression lines of all variables have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2143881.801	12	178656.817	1.447	0.159
Intercept	252776.727	1	252776.727	2.048	0.156
PCombination*CET	156640.696	2	78320.348	0.635	0.532
PCombination*CXEN	179950.731	2	89975.365	0.729	0.485
PCombination *P_Invol.	596960.012	2	298480.006	2.418	0.095

PCombination *Price_Sens.	614793.087	2	307396.544	2.490	0.088
PCombination *Pr.Ethnicity Sweden	178765.435	2	89382.718	0.724	0.487
PCombination *Pr.Ethnicity Poland	127782.353	2	63891.176	0.518	0.598

5) *Linear relationship between dependent variable and covariates:* Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

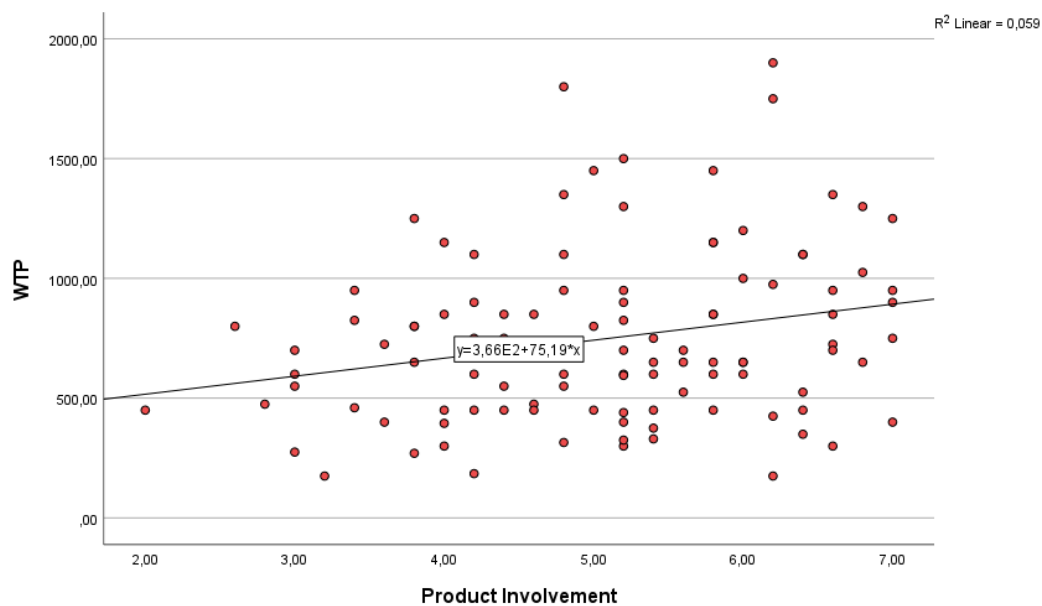
	Combination	N	M (in €)	SD (in €)
WTP	Superior	56	803.39	355.02
	Inferior	50	687.99	359.69
	<i>total</i>	<i>106</i>	<i>748.96</i>	<i>360.20</i>

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1474463.544 ^a	7	210637.649	1.699	0.118
Intercept	458372.646	1	458372.646	3.698	0.057
Consumer Ethnocentrism	228190.799	1	228190.799	1.841	0.178
Consumer Xenocentrism	58856.625	1	58856.625	0.475	0.492
Product Involvement	407383.284	1	407383.284	3.286	0.073
Price Sensitivity	64187.943	1	64187.943	0.518	0.474
Product Ethnicity Sweden	40981.021	1	40981.021	0.331	0.567
Product Ethnicity Poland	13532.461	1	13532.461	0.109	0.742
Product Combination	231944.542	1	231944.542	1.871	0.174

^a Adjusted R² = 0.045

Scatterplot WTP & Product Involvement



Main Analysis: H3b – Mixed Superiority and Inferiority

Descriptives

	n	%
Superior COO + Inferior Product	60	49.6
Inferior COO + Superior Product	61	50.4
<i>total</i>	<i>121</i>	<i>100</i>

Assumptions MANCOVA

- 1) *Two or more continuous dependent variables*: Confirmed, the pricing footprint consists of four continuous variables.
- 2) *Categorical independent variable*: Confirmed, the independent variable product combination is categorical and contains 2 groups, the combination of superior product with inferior COO and the combination of inferior product and superior COO.
- 3) *Continuous covariates*: Confirmed, all covariates, which have been included are continuous.
- 4) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 5) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the group with the superior product has 61 responses and the group with the inferior product 60 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 6) *Homogeneity of variances for each dependent variable*: Confirmed, by running the Leven's test for each level of the pricing footprint. On all four levels the test was not significant, which means that the homogeneity of the variances for each dependent variable can be confirmed.

Levene's Test of Equality of Error Variances

	F	df1	df2	Sig.
Too Cheap	0.175	1	119	0.676
Cheap	0.971	1	119	0.326
Expensive	0.306	1	119	0.581

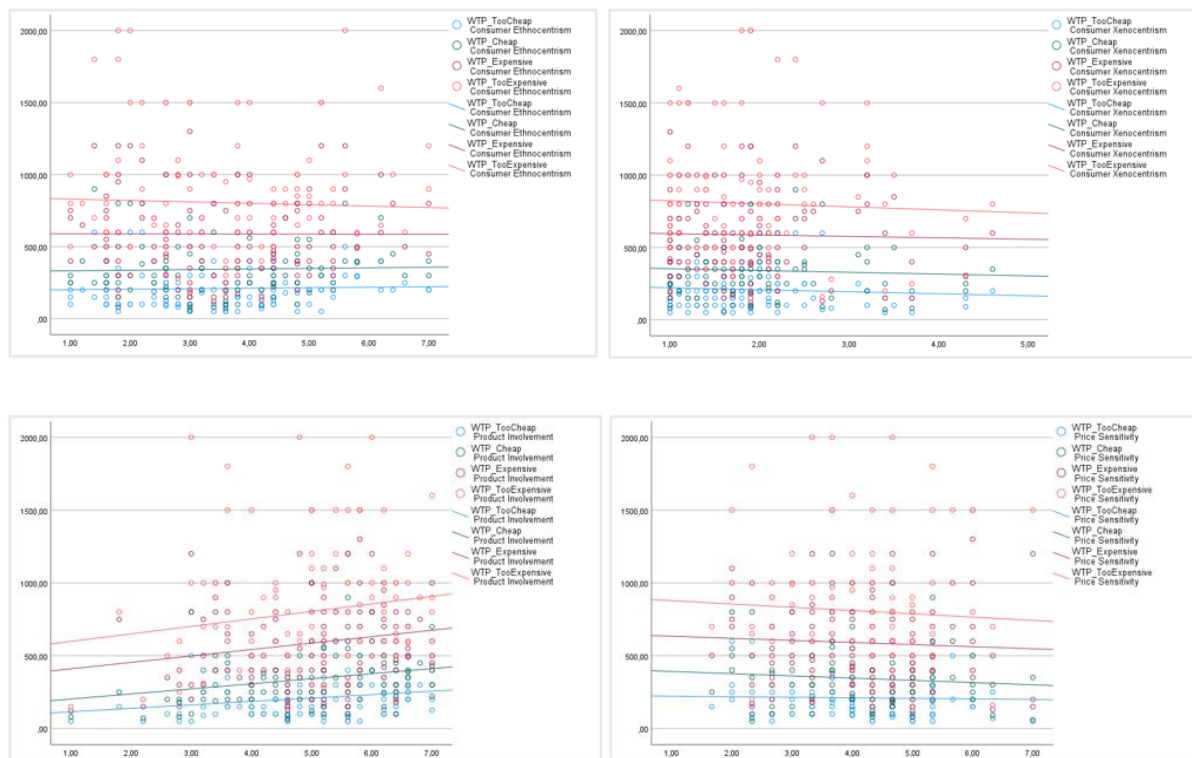
Too Expensive	0.472	1	119	0.493
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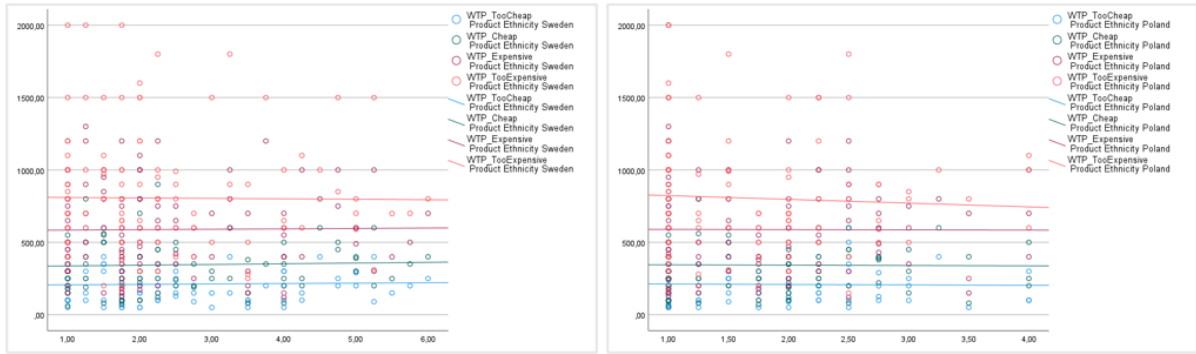
7) *Homogeneity of covariates*: Confirmed, as the Box's test is not significant. Therefore, the homogeneity of covariances can be confirmed.

Box's Test of Equality of Covariance Matrices

Box's M	17.680
F	1.704
Df1	10
Df2	67658.790
Sig.	0.074

8) *Linear relationship between dependent variables and covariates*: Confirmed, by plotting each dependent variable with the covariates. In each case, a linear relationship can be confirmed.





- 9) *Same slope of the regression line in each group*: Confirmed, by running the MANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant, which means that the regression lines have the same slope.

Multivariate Tests

	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.074	2.112	4.000	105.000	0.084
PCombination*CET	0.019	0.260	8.000	212.000	0.978
PCombination*CXEN	0.031	0.417	8.000	212.000	0.910
PCombination *P_Invol.	0.096	1.341	8.000	212.000	0.225
PCombination *Price_Sens.	0.094	1.306	8.000	212.000	0.242
PCombination *Pr.Ethnicity Sweden	0.040	0.542	8.000	212.000	0.824
PCombination *Pr.Ethnicity Poland	0.047	0.640	8.000	212.000	0.744

MANCOVA Test Statistic

Descriptive Statistics

Pricing-Footprint	Combination	N	M (in €)	SD (in €)
Too Cheap	Superior COO + Inferior Product	60	218.57	137.11
	Inferior COO + Superior Product	61	20148	119.80
	<i>total</i>	<i>121</i>	<i>209.95</i>	<i>128.42</i>
Cheap	Superior COO + Inferior Product	60	341.40	195.98

	Inferior COO + Superior Product	61	344.39	162.69
	<i>total</i>	<i>121</i>	<i>342.91</i>	<i>179.22</i>
Expensive	Superior COO + Inferior Product	60	566.60	284.49
	Inferior COO + Superior Product	61	608.82	268.15
	<i>total</i>	<i>121</i>	<i>587.88</i>	<i>276.03</i>
Too Expensive	Superior COO + Inferior Product	60	786.60	435.87
	Inferior COO + Superior Product	61	824.54	390.75
	<i>total</i>	<i>121</i>	<i>805.73</i>	<i>412.45</i>

Multivariate Tests

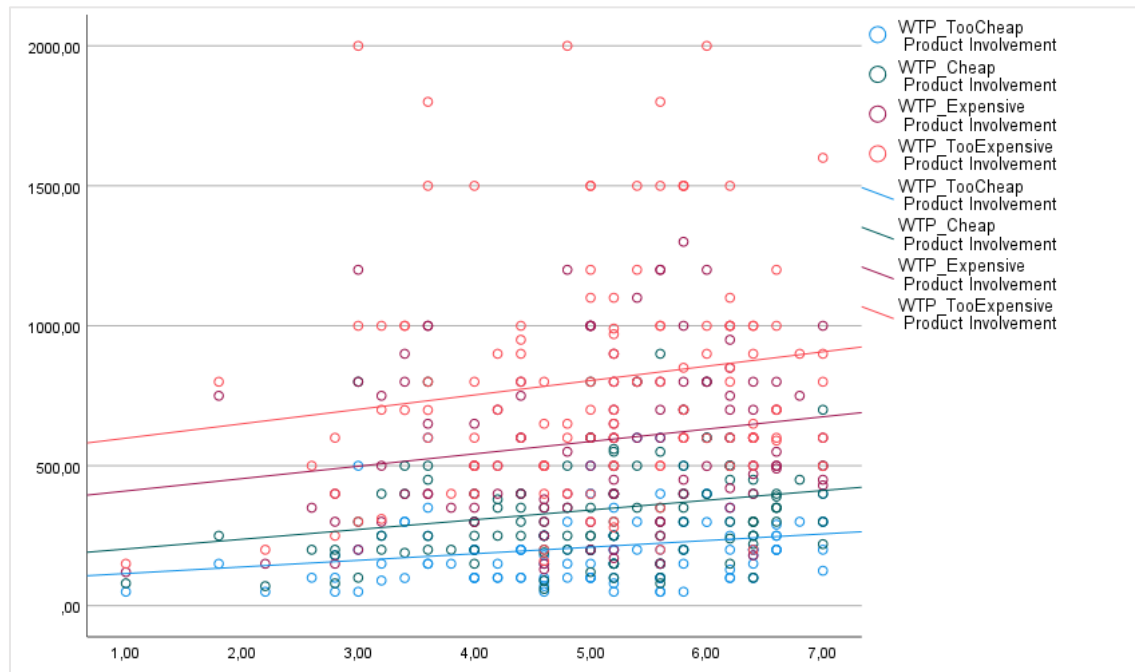
	Pillai's Trace		Hypothesis df	Error df	Sig.
	Value	F			
Intercept	0.070	2.057	4.000	110.000	0.091
Consumer Ethnocentrism	0.012	0.345	4.000	110.000	0.847
Consumer Xenocentrism	0.012	0.333	4.000	110.000	0.856
Product Involvement	0.072	2.145	4.000	110.000	0.080
Price Sensitivity	0.047	1.365	4.000	110.000	0.251
Product Ethnicity Sweden	0.018	0.510	4.000	110.000	0.729
Product Ethnicity Poland	0.017	0.479	4.000	110.000	0.751
Product Combination	0.054	1.574	4.000	110.000	0.186
Adjusted R ² (Too Cheap) = 0.021					
Adjusted R ² (Cheap) = 0.027					
Adjusted R ² (Expensive) = -0.009					
Adjusted R ² (Too Expensive) = -0.021					

Tests of Between-Subject Effect of Significant Multivariate Tests

Source	DV	Type III Sum of Squares	df	Mean Square	F	Sig.	
						2-tail	1-tail
Product Involvement	Too Cheap	110560.765	1	110560.765	6.846	0.010	0.005
	Cheap	241489.845	1	241489.845	7.726	0.006	0.003
	Expensive	365388.831	1	365388.831	4.753	0.031	0.016

	Too Expensive	567804.867	1	567804.867	3.270	0.073	0.037
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Scatterplot Pricing-Footprint & Product Involvement



Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case the group with the superior product has 61 responses and the group with the inferior product 60 respondents. Therefore, we can assume the normal distribution (Field, 2018).
- 3) *Homogeneity of variances*: Confirmed, by running the Leven's test for the consumers' WTP, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

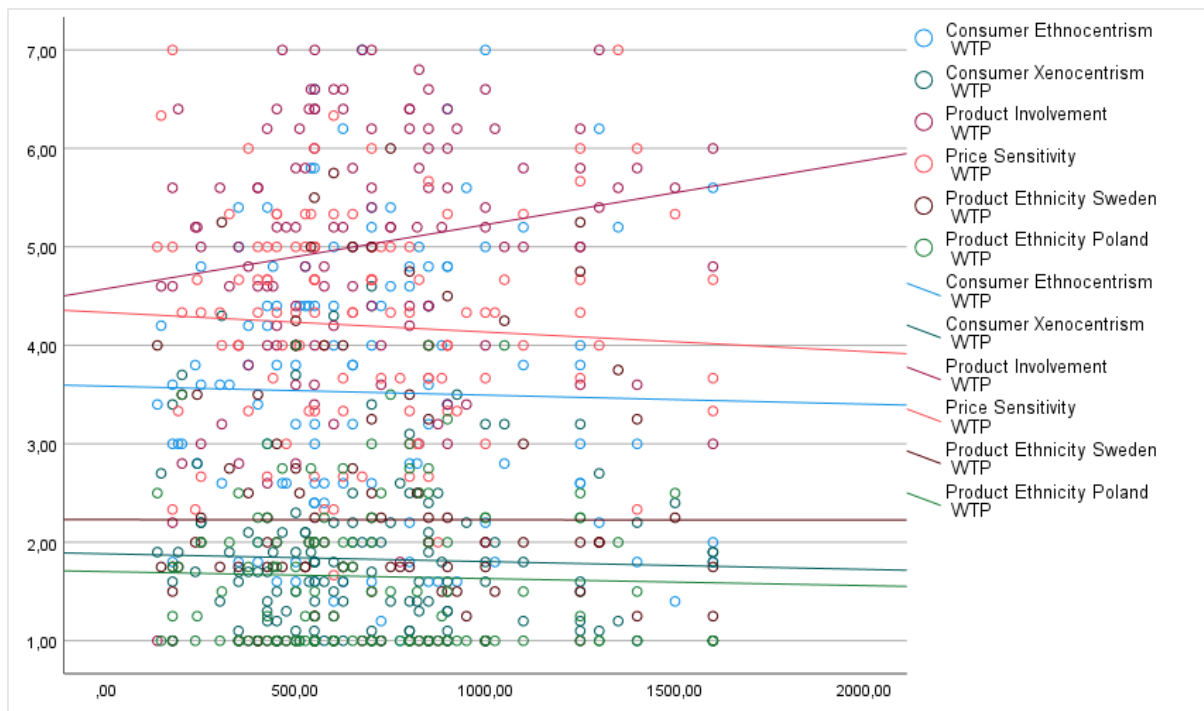
	F	df1	df2	Sig.
WTP	0.489	1	119	0.486

- 4) *Same slope of the regression line in each group:* Confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, which means that the regression lines of all variables have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	902975.667	12	75247.972	0.634	0.809
Intercept	1009987.107	1	1009987.107	8.515	0.004
PCombination*CET	53870.438	2	26935.219	0.227	0.797
PCombination*CXEN	7312.259	2	3656.129	0.031	0.970
PCombination *P_Invol.	427966.353	2	213983.176	1.804	0.170
PCombination *Price_Sens.	301237.305	2	150618.653	1.270	0.285
PCombination *Pr.Ethnicity Sweden	74290.758	2	37145.379	0.313	0.732
PCombination *Pr.Ethnicity Poland	49642.426	2	24821.213	0.209	0.812

- 5) *Linear relationship between dependent variable and covariates:* Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

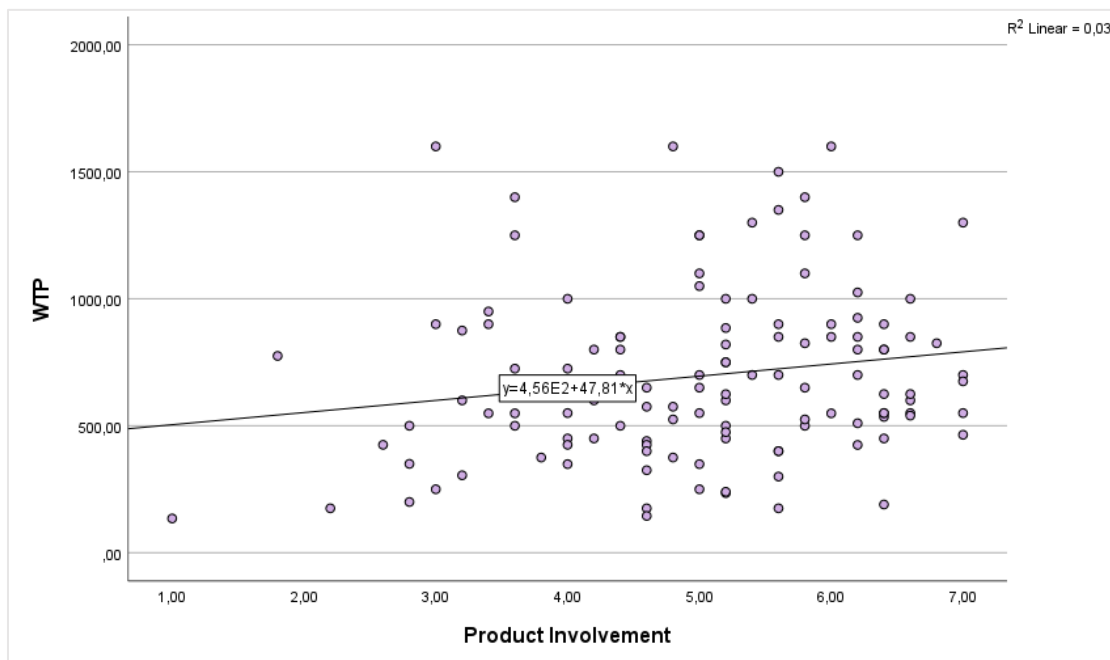
	Combination	N	M (in €)	SD (in €)
WTP	Superior COO + Inferior Product	60	676.60	354.04
	Inferior COO + Superior Product	61	716.68	323.23
	<i>total</i>	<i>121</i>	<i>696.81</i>	<i>338.04</i>

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	596970.701 ^a	7	85281.529	0.735	0.643
Intercept	934084.966	1	934084.966	8.048	0.005
Consumer Ethnocentrism	35105.108	1	35105.108	0.302	0.583
Consumer Xenocentrism	4.564	1	4.564	0.000	0.995
Product Involvement	461042.555	1	461042.555	3.972	0.049
Price Sensitivity	85913.379	1	85913.379	0.740	0.391

Product Ethnicity Sweden	21651.565	1	21651.565	0.187	0.667
Product Ethnicity Poland	44625.428	1	44625.428	0.384	0.536
Product Combination	875.896	1	875.896	0.008	0.931
^a Adjusted R ² = -0.016					

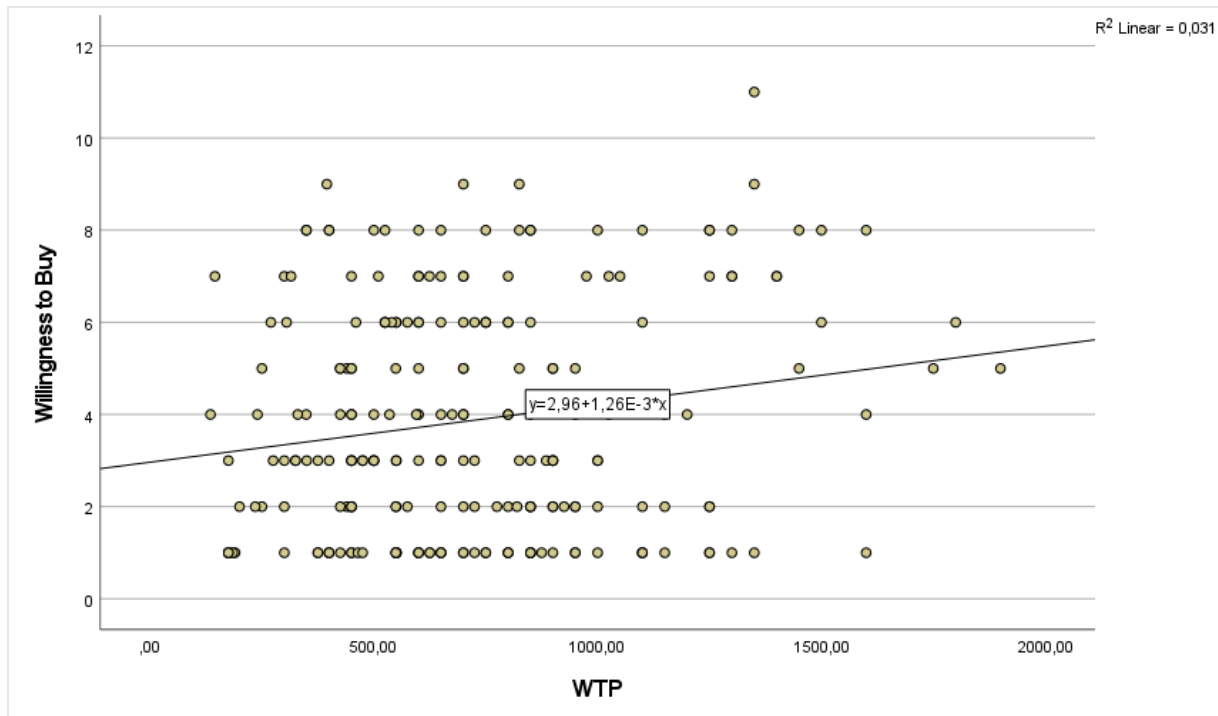
Scatterplot WTP & Product Involvement



Willingness to Buy (WTB)

Assumptions Correlation

- 1) *Continuous level of measurement*: Confirmed, both dependent variables, WTP and WTB, are continuous.
- 2) *Related observations*: Confirmed, each respondent had to state both with regards to the exposed stimuli, their perception of the pricing-footprint and the likeliness of buying the given product.
- 3) *Absence of outliers*: Confirmed, has been checked prior the main analysis.
- 4) *Linearity*: Confirmed, by plotting both variables together.



Correlation Test Statistic

		Willingness to Buy
WTP	Persons' r	0.175
	Sig. (2-tailed)	0.008
	N	227

Assumptions ANCOVA

- 1) *Independence of observations*: Confirmed, each respondent was randomly allocated to one of the experimental conditions and in each experimental conditions the respondents had to evaluate one product which did vary with regards to COO and product information.
- 2) *Normally distributed within groups*: Assumed based on the central limit theorem, which states that if $N > 30$, the data tends to be normally distributed and in this case G1 has 56 responses, G2 61 responses, G3 60 responses and G4 50 respondents. Therefore, we can assume the normal distribution (Field, 2018).

- 3) *Homogeneity of variances*: Confirmed, by running the Leven's test for the consumers' WTB, which turned out non-significant, which in turn means that the homogeneity of variances is confirmed.

Levene's Test of Equality of Error Variances

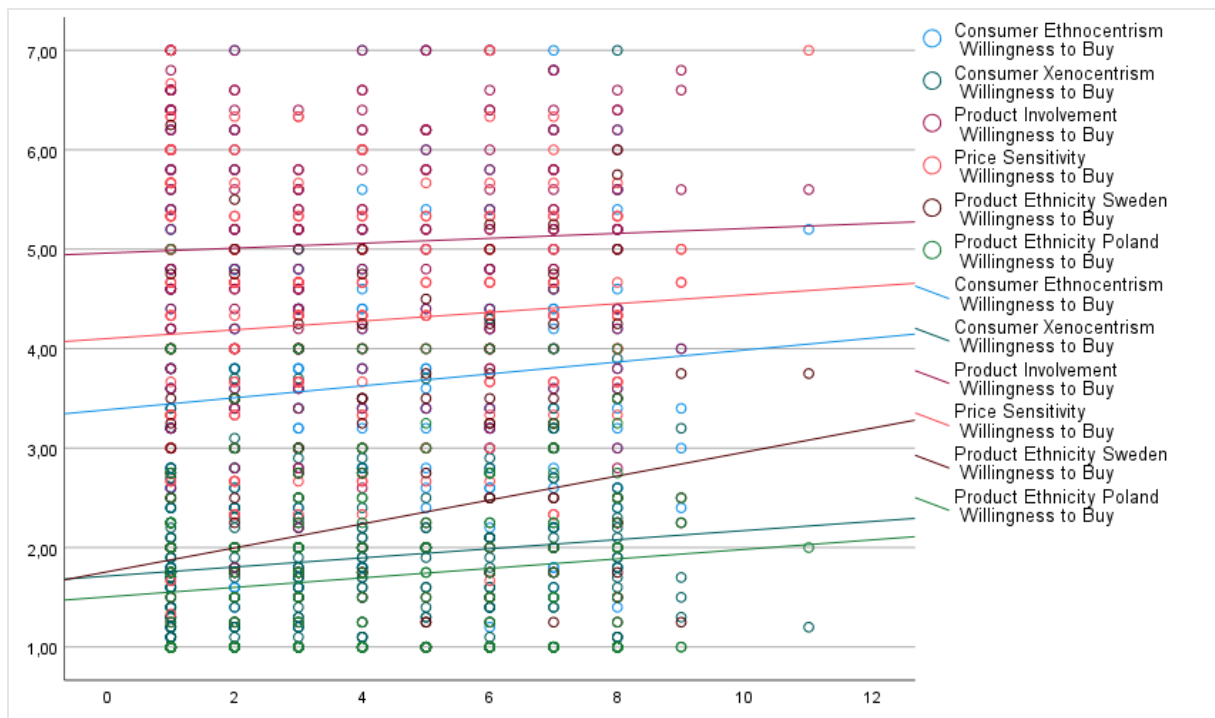
	F	df1	df2	Sig.
WTB	0.182	3	223	0.908

- 4) *Same slope of the regression line in each group*: Confirmed, by running the ANCOVA with the interaction-terms of the covariates and the factor. All tested interaction terms are not significant on $p < 0.05$, which means that the regression lines of all variables have the same slope.

Tests of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	194.243	24	8.093	1.337	0.144
Intercept	2.289	1	2.289	0.378	0.539
Stimuli*CET	16.418	4	4.105	0.678	0.608
Stimuli *CXEN	41.605	4	10.401	1.718	0.147
Stimuli *P_Invol.	5.515	4	1.379	0.228	0.923
Stimuli *Price_Sens.	29.914	4	7.478	1.235	0.297
Stimuli *Pr.Ethnicity Sweden	34.475	4	8.619	1.423	0.227
Stimuli *Pr.Ethnicity Poland	2.381	4	0.595	0.098	0.983

- 5) *Linear relationship between dependent variable and covariates*: Confirmed, by plotting the dependent variable with the covariates. In each case, a linear relationship can be confirmed.



ANCOVA Test Statistic

Descriptive Statistics

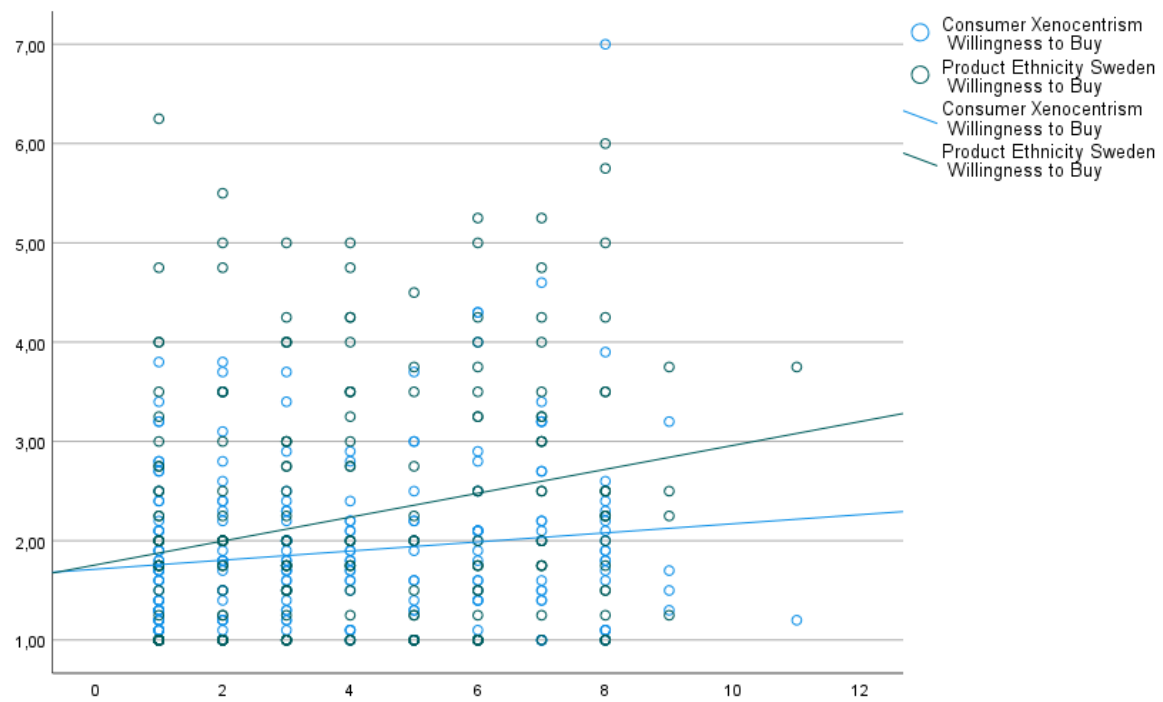
	Stimuli	N	M (in €)	SD (in €)
WTB	Sweden - superior Product (G1)	56	4.07	2.586
	Poland - superior Product (G2)	61	4.11	2.640
	Sweden - inferior Product (G3)	60	3.57	2.410
	Poland - inferior Product (G4)	50	3.72	2.374
	<i>total</i>	227	3,87	2,504

Test of Between-Subject Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	126.970 ^a	9	14.108	2.373	0.014
Intercept	2.652	1	2.652	0.446	0.505
Consumer Ethnocentrism	10.644	1	10.644	1.790	0.182

Consumer Xenocentrism	16.568	1	16.568	2.786	0.097
Product Involvement	0.829	1	0.829	0.139	0.709
Price Sensitivity	10.585	1	10.585	1.780	0.184
Product Ethnicity Sweden	31.938	1	31.938	5.371	0.021
Product Ethnicity Poland	0.007	1	0.007	0.001	0.973
Stimuli	14.687	3	4.896	0.823	0.482
^a Adjusted R ² = 0.052					

Scatterplot WTB & Consumer Xenocentrism & Product Ethnicity Sweden



Abstract German

Durch die Anwendung zweier Verhaltenstheorien, nämlich der Cue-Utilization-Theory und dem Accessibility-Diagnosticity-Framework, konzentriert sich diese Masterarbeit auf den Herkunftsland-Effekt und wie dieser Effekt variieren könnte, wenn ein Produkt objektiv betrachtet dem gegenüberstehenden Produkt überlegen ist. Diese Arbeit versucht zusätzliches Licht in den Themenbereich Productherkunft zu bringen und zu erforschen, ob durch den Einsatz von objektiv besseren Produkten diesem Herkunftsland-Effekt entgegengewirkt oder ihn sogar überwunden werden könnte. Das übergeordnete Ziel dieser Forschungsarbeit ist es herauszufinden, wie rational bzw. irrational Konsumenten handeln, wenn sie mit Produkten konfrontiert werden, die tatsächlich objektiv besser oder schlechter sind, sich aber auch im Hinblick auf das Herkunftsland unterscheiden. Um diesen Fragen auf den Grund zu gehen, wurde im österreichischen Verbrauchermarkt ein experimentelles Forschungsdesign durchgeführt. Die dabei eingesetzten Produkt-Stimuli variierten hinsichtlich ihrer objektiven Überlegenheit oder Minderwertigkeit und ihres Herkunftslandes. Die Verbraucherbewertung des untersuchten Produkts wird unter Anwendung des Preissensitivitätsmeters von Van Westendorp (1976) gemessen, da der Preis als ein strengerer und genauerer Test identifiziert wird, da er den Verbraucher auch kognitiv einbezieht. Darüber hinaus wird der Preis als strengerer Test betrachtet, da es dabei nicht nur um die Entscheidung geht, welches Produkt ausgewählt werden soll, sondern auch darum, das Produkt gegen dessen Preis abzuwägen, den die Verbraucher bereit wären, dafür auszugeben. Das Experiment wurde auch im Hinblick auf potenzielle Störeffekte, verursacht durch dritte Variablen, kontrolliert. Die Ergebnisse dieser Masterarbeit bieten einige neue Einblicke in den Herkunftsland-Effekt und das Konsumentenverhalten, nämlich deren Zahlungsbereitschaft.