Mass Customization and Country-of-Origin Effects

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Thomas Aichner

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I. LIST OF PUBLICATIONS

The following papers and articles were partially or fully developed during my Ph.D. studies. Three of these manuscripts are an integral part of this dissertation and are indicated accordingly. According to ESCP Europe Business School's doctoral regulations, the score of the selected publications must sum up to a minimum of 2.00 points. The calculation is based on the classification of the Journal and the number of authors. As a basis for the calculation, the major German ranking "VHB-JOURQUAL3" has been selected. The three manuscripts were chosen in order to fulfil both the above mentioned requirements of ESCP Europe Business School and the doctoral regulations of the University of Padova, which require a clear golden thread that connects the three publications.

Title	Authors	Journal	Status	VHB	Points
Customers' online shopping preferences in mass customization	Thomas Aichner Paolo Coletti	Journal of Direct, Data and Digital Marketing Practice	published	-	-
Country-of-origin marketing: A list of typical strategies with examples	Thomas Aichner	Journal of Brand Management	published	C	1.50
Measuring the degree of corporate social media use	Thomas Aichner Frank Jacob	International Journal of Market Research	published	D	-
Warum sich Kunden an Mass Customization beteiligen	Thomas Aichner Urban Perkmann Paolo Coletti	transfer Werbeforschung & Praxis	published	D	-
Effects of subcultural differences on country and product evaluations: a replication study	Thomas Aichner Paolo Coletti Urban Perkmann	International Marketing Review	under review (passed "desk reject")	B	0.67
The Country-of-Origin Lie – How Companies Use Foreign Branding to Fool their Customers	Thomas Aichner	International Marketing Review	under review (passed "desk reject")	B	2
The moderating effect of manufacturing strategy oncountry-of-origin perceptions:mass production versus mass customization	Cipriano Forza Alessio Trentin Thomas Aichner	Working Paper	registered	-	-
Information: Grey background indicates the three articles that are included in this thesis.				**SUM**	**2.17**

Table 1: Publication overview

II. ABSTRACT

1. **Abstract** (English)

This is a thesis by publication, consisting of three manuscripts. The research is positioned in the area of international marketing and offers a contribution to consumer culture theory. More specifically, it is about country of origin (COO) marketing, differences in product and country evaluation between ethnic subcultural groups living together within the same country, and the moderating role of mass customization (MC) on COO effects. The first manuscript classifies different COO marketing strategies that are employed to communicate the COO of a product or company to customers, and it provides a number of examples from practice. The second manuscript is based on the observation that globalization, international trade, multicultural societies and the introduction of innovative manufacturing strategies such as MC require continuous updating and reassessment of COO constructs and models. To this end, a study from 2003 has been replicated in a different cultural and geographical setting with results supporting the original findings. Finally, the third manuscript bridges the two research streams of COO and MC and provides empirical evidence of the impact of the manufacturing strategy on customers' product evaluation.

To sum up, the following research questions are examined in the three manuscripts:

1) *Which different marketing strategies are employed by companies in order to communicate the COO of the company and/or of its brands to customers?*

2) *Do COO effects vary across subcultures within a country?*

3) *Does the manufacturing strategy (mass production vs. MC) have a moderating effect on the relationship between COO and consumer's product evaluation?*

2. **Sommario** (Italian)

La presenti tesi di dottorato per pubblicazioni è composta da tre manoscritti. La ricerca si posiziona nell'area del marketing internazionale e si propone di offrire un contributo alla consumer culture theory. Nello specifico, gli argomenti trattati spaziano dal marketing del country of origin (COO) al ruolo che le differenze culturali su base etnica esistenti all'interno di una stessa nazione hanno nella valutazione di prodotti e di paesi, fino al ruolo di moderazione della mass customization (MC) sugli effetti del COO. Il primo manoscritto classifica le diverse strategie di marketing di COO che sono adottate per comunicare il paese di origine di un prodotto o di un'azienda ai clienti, e fornisce diversi esempi pratici. Il secondo manoscritto prende le mosse dall'osservazione che la globalizzazione, il commercio internazionale, le società multiculturali e l'introduzione di strategie manifatturiere innovative, come la MC, richiedono un continuo aggiornamento e rivalutazione dei costrutti e dei modelli relativi al COO. A tal fine, si è replicato uno studio pubblicato nel 2003, calandolo in un diverso contesto culturale e geografico, con risultati che confermano quelli dello studio originale. Infine, il terzo manoscritto, sviluppa un legame tra i filoni di ricerca del COO e della MC, portando evidenza empirica dell'impatto della strategia manifatturiera sulla valutazione di prodotti da parte del consumatore.

In sintesi, i tre manoscritti rispondono alle seguenti domande di ricerca:

1) *Quali sono le diverse strategie di marketing che vengono adottate dalle aziende per comunicare ai clienti il proprio COO e/o quello dei propri brand?*

2) *Gli effetti del COO variano in base alle sottoculture all'interno di uno stesso paese?*

3) *Esiste un effetto di moderazione della strategia manifatturiera (produzione di massa vs. MC) sulla relazione tra COO e valutazione del prodotto da parte dei clienti?*

3. Zusammenfassung (German)

Bei der vorliegenden Arbeit handelt es sich um eine kumulative Dissertation, die aus drei Manuskripten besteht. Die Forschungsarbeit positioniert sich im Bereich des internationalen Marketing und bietet einen Beitrag zur Consumer Culture Theory. Konkret geht es um Country-of-Origin (COO) Marketing, die Unterschiede bei der Produkt- und Länderbewertung zwischen ethnischen Subkulturen, die in einem Land zusammenleben und den moderierenden Einfluss von Mass Customizaton (MC) auf Herkunftslandeffekte. Das erste Manuskript klassifiziert verschiedene COO-Marketing-Strategien, die verwendet werden, um das Herkunftsland von Produkten oder Unternehmen den Kunden gegenüber zu kommunizieren und stellt mehrere praktische Beispiele vor. Im zweiten Manuskript wird argumentiert, dass die sich verändernden Rahmenbedingungen wie Globalisierung, internationaler Handel, multikulturelle Gesellschaften und die Einführung innovativer Fertigungsstrategien wie MC eine kontinuierliche Überprüfung und Neubewertung bestehender COO-Konstrukte und -Modelle notwendig machen. Zu diesem Zweck wurde eine Studie aus dem Jahr 2003 in einem anderen kulturellen und geographischen Umfeld repliziert, deren Ergebnisse bestätigt werden konnten. Das dritte Manuskript verbindet die beiden Forschungsstränge COO und MC und zeigt empirisch, dass die Fertigungsstrategie einen signifikanten Einfluss auf die Produktbewertung von Kunden hat.

Folgende Forschungsfragen werden in den drei Manuskripten beantwortet:

1) *Welche verschiedenen Marketingstrategien werden von Unternehmen angewandt, um das Herkunftsland des Unternehmens und/oder seiner Marken den Verbrauchern zu kommunizieren?*

2) *Unterscheiden sich Herkunftslandeffekte zwischen Subkulturen innerhalb eines Landes?*

3) *Hat die Fertigungsstrategie (Massenproduktion vs. MC) einen moderierenden Einfluss auf die Beziehung zwischen dem Herkunftsland und der Produktbewertung durch die Kunden?*

III. PREAMBLE

1. The Relevance of Country-of-Origin Marketing

"La tutela del 'Made in Italy' è la prima battaglia del nostro paese."
(The protection of 'Made in Italy' is the primary battle of our country.)
Adolfo Urso, 2010
Vice Minister, Italian Ministry of Economic Development

According to the Office for Harmonization in the Internal Market (OHIM), which is the largest intellectual property agency of the European Union, the manufacture and distribution of fake fashion products such as clothes, shoes and accessories take over 26 billion Euro every year from European businesses (OHIM 2015). Counterfeit products "Made in Italy" account for 4.5 billion euro, or 17% of the total in lost sales. Italy is therefore the most frequently falsified origin when it comes to fashion products. A look at the food sector reveals an even more impressive picture: On a global scale, two out of three products that seem to originate from Italy are actually not "Made in Italy", with an estimated net worth of sales of more than 60 billion euro in 2014 (Caselli et al. 2015). In other words, this means that fake Italian or Italian-sounding food products account for twice the value of authentic Italian products in terms of global sales.

One example of an Italian-sounding product, whose country of origin (COO) is not Italy is the *Sartori SarVecchio Parmesan*, a hard cheese produced in Wisconsin, USA, which has chosen a brand name in the style of the two traditional Italian pendants *Parmigiano Reggiano* and *Grana Padano*. The American cheese has a market share of around 90% on the US market. Another example is based on the genuine Italian *Olio Extravergine di Oliva Toscano*. The non-Italian brand *Tuscan Extra-virgin Olive Oil* was bottled in the United Kingdom and sold for £12.95 by the famous London-based department store Harrods until 2014. Harrods was forced to remove the bottles from its shelves because the whole manufacturing process, from growing to processing to bottling, must be executed in the Italian region of Tuscany in order to be allowed to label the product as Tuscan olive oil.

The Italian Ministry of Economic Development (2015) underlines that the label "Made in Italy" may prove to be a winning strategy in global competition. By looking at the above-mentioned numbers it becomes clear that this substantial potential is trying to be exploited by both Italian companies and foreign competitors. To communicate the (actual or alleged) origin, companies may use a number of different strategies. The use of these strategies may be legally regulated, such as in the case of *Tuscan Extra-virgin Olive Oil*, or not legally regulated, such as in the case of *Sartori SarVecchio Parmesan*. The first manuscript of the present thesis deals with these differences and identifies two legally regulated strategies and six unregulated strategies. The focus is on European products, especially products "Made in Italy" and "Made in Germany", however with a global perspective by providing practical examples from around the world for each of the eight COO strategies.

Globalisation and Subcultural Differences in COO Practice and Research

It is generally accepted to state that there is a trend of globalisation, which involves cultural homogenisation and reflects the process of an increasing domination of one societal culture over all others (Robertson 2012). However, a number of researchers argue that globalisation is a myth that has never happened or, if anything, that it has already come to an end and that its effects are therefore overestimated (Rugman 2001; Rugman 2005; Collins and Rugman 2008). Even though this view has been questioned (e.g. Osegowitsch and Sammartino 2008), there is some evidence in practice and research that highlights the ongoing importance of regional trade and subcultural marketing.

Globalisation theory assumes that one culture is going to dominate all the others, but in reality there are established minorities and newly emerging subcultures within countries that are not being integrated into the dominant culture of the respective country. Examples include, but are not limited to, Hispanic minorities or Chinese communities in the US, e.g. in Greater Los Angeles or San Francisco Bay Area, Turkish minorities in Germany, French and English Canadians, Flemish and French Belgians and indigenous communities in Latin America. Companies are aware of these differences and employ so-called ethnomarketing to advertise their products and

services to subcultural groups within a country (Badot et al. 2009), e.g. by using Arabic or Chinese language in Western countries.

With very few exceptions (e.g. Laroche et al. 2003), empirical COO research has not taken into account these subcultural differences. In contrast, most researchers have analyzed differences in product evaluation between customers from different nationalities, assuming that customers with the same nationality form a homogeneous group that is suitable for comparison, rather than differentiating between customers' cultural backgrounds. For example, Laroche et al. (2003) have shown that French-speaking Canadians rate foreign products significantly differently from English-speaking Canadians. If it is possible to generalize this evidence from the Canadian market to other markets around the world and especially to Europe, which is known for its cultural diversity (Georgiou 2005), many findings from empirical COO research may be viewed more critically. To this end, the second manuscript of this thesis replicates and validates the original study from Laroche et al. (2003) in a similar setting on the European continent, namely between German-speaking customers and Italian-speaking customers in the Italian region of South Tyrol.

The findings of the second manuscript about the necessity to differentiate between subcultures and to use language rather than nationality as a proxy for culture were incorporated in the research design of the third manuscript, whose main purpose is to assess the moderating effect of the manufacturing strategy on COO effects.

2. Mass Customization: The Future of Manufacturing

*"Mass customization is an imperative, it's something that businesses must do
[…] to find the individual value in each and every customer."*

B. Joseph Pine II, 2009
Scholar and management advisor, Strategic Horizons LLP

In mechanical engineering, customization has always played an important role. Known as application engineering (Ansoff and Stewart 1967), the strategy of producing

custom products such as machinery started its continued success story in the B2B area more than 50 years ago. Thanks to the introduction of modern robotics and computerization in the 1980s, the first companies successfully implemented mass customization (MC) in the B2C area. In 1993, B. Joseph Pine II subtitled his book on MC with "The New Frontier in Business Competition." While this strategy to mass produce customized products was certainly a frontier more than 20 years ago, today it is a consolidated strategy in industrial/manufacturing engineering, operations management and related areas both in research and practice (Fogliatto et al. 2012). MC of products has been implemented successfully by a very large number of companies from various sectors including fashion (Dietrich et al. 2007), food (McIntosh et al. 2010), electronics (Partanen and Haapasalo 2004) and engineering (Lu et al. 2009).

A look at the multitude of big and small companies from start-ups to world market leaders, which offer MC shows that it is not just an innovative manufacturing strategy, but that it may be the future of service delivery, too. Especially since the mid-1990s, thanks to a more powerful internet, the concept of mass customization became also relevant for services, e.g. for air travel (Liou et al. 2010), financial services, electricity contracts and online learning. Another trend that has again been widely accepted as standard in B2B, but became more diffused in B2C only during the last few years, is the customized combination of products and services. When the supplier is not simply selling its product but is also offering an individual consultancy, this is generally referred to as the business of solutions (Jacob 2013). This trend is in line with the service dominant logic of marketing (Vargo and Lusch 2004), meaning that the real value of a product is created only in combination with the respective service, e.g. in the case of curated shopping. In recent years, customization has also started playing an increasing role in online- and TV-advertisement as well as with regard to the online shopping experience itself. For example, we can expect that, in the near future, no two customers will see the same version of a website (Dempster and Lee 2015).

All these examples demonstrate that the customer of the future will live in a customized world, regardless of whether he or she wants to or not. The customer of the future will be reading custom news streams, watching TV shows when he or she has time, seeing ads that actually matter and/or that are considered to generate the highest return for the advertiser and, most importantly, buying mass customized products that are

manufactured or 3D-printed according to his or her individual needs and personal preferences.

The third manuscript of this thesis bridges the MC literature with the COO literature in an attempt to contribute to both fields of research and to provide valuable insights and practical implications about COO effects for MC companies.

3. Introduction to the Manuscripts

The manuscripts in this thesis are about country of origin (COO) marketing, country-of-origin (COO) effects and the moderating role of mass customization (MC). The research is positioned in the area of international marketing and aims to make a contribution to consumer culture theory, which addresses the dynamic relationships between consumer actions, the marketplace and cultural meanings (Arnould and Thompson 2005). More specifically, we assess ethnic subcultural differences in product and country evaluation and the moderating role of manufacturing strategies, specifically MC as compared to mass production. Ethnic subcultures are based on shared beliefs and habits (Usunier and Lee 2005), in contrast to subcultures of consumption that share a commitment to a particular product class or brand (Schouten and McAlexander 1995).

As highlighted above, the ongoing worldwide changes with regard to globalization, international trade, multicultural societies and the diffusion of MC make it necessary to continuously assess and re-assess the COO construct, e.g. by introducing new variables and by critically reviewing previously tested relationships and models. In this context, we have bridged the two research streams of COO and MC. Based on an in-depth review of the COO literature, I have identified a number of additional gaps, for example the missing classification of COO marketing strategies and a great number of calls for replications in quantitative COO studies. In line with the current discussions and criticism of the traditional COO constructs, we have replicated a study that had found language to be a better proxy for culture and therefore a more suitable variable than nationality for comparing groups of customers. Given that the results of the original study have been confirmed, these findings formed the basis for a third manuscript. The following research questions have been formulated and examined (see Table 2 for an overview including the relevance for research/practice):

1) *Which different marketing strategies are employed by companies in order to communicate the COO of the company and/or of its brands to customers?*

2) *Do COO effects vary across subcultures within a country?*

3) *Does the manufacturing strategy (mass production vs. mass customization) have a moderating effect on the relationship between COO and consumer's product evaluation?*

Manuscript #1	*Research question*	Which different marketing strategies are employed by companies in order to communicate the COO of the company and/or of its brands to customers?
	Relevance for research	Conceptualization of COO marketing strategies
	Relevance for practice	List of alternatives to the use of the phrase "Made in…"
Manuscript #2	*Research question*	Do COO effects vary across subcultures within a country?
	Relevance for research	The customer's nationality may not be a suitable dimension for COO studies and lead to wrong implications
	Relevance for practice	Support for the concept of ethnomarketing rather than national marketing
Manuscript #3	*Research question*	Does the manufacturing strategy (mass production vs. mass customization) have a moderating effect on the relationship between COO and consumer's product evaluation?
	Relevance for research	Examination and introduction/exclusion of mass customization as a possible moderator for COO effects
	Relevance for practice	Implications for mass customization companies that are using or planning to use COO elements as part of their marketing strategy

Table 2: Research questions and relevance for research/practice of the manuscripts

To answer the first research question, a literature review on COO effects, different COO dimensions (e.g. country of assembly), and legally regulated COO strategies (e.g. the use of the phrase "Made in…" Italy/Germany/USA etc.) has been conducted. In addition, a number of exploratory case studies were carried out to identify other strategies that are not legally regulated (e.g. the use of language). The goal was, first, to find COO elements that are used by a number of companies in television, print, and online-advertisements as well as in logos, on packaging and in website design, and,

second, to formulate a set of additional, non-legally-regulated strategies, based on this practical evidence. The major relevance of the research is the conceptualisation of COO marketing strategies, which has filled an existing gap in the literature. The list of alternatives to the use of the phrase "Made in…" is accompanied by a number of practical examples which show that a number of companies use two or more COO marketing strategies in combination with each other (see manuscript #1).

The second research question has been answered by replicating a study from about a decade ago, which assessed the differences in country and product evaluation between French-speaking Canadians and English-speaking Canadians with regard to their homelands (Great Britain/France) and culturally affiliated countries (e.g. the USA for the English speakers). In a paper-based survey, German-speaking South Tyroleans and Italian-speaking South Tyroleans from the Italian Region of South Tyrol were asked to evaluate four dimensions of product and country evaluation. Based on the use of language, a cluster analysis was used to classify the respondents into three groups: German South Tyroleans, Italian South Tyroleans and acculturated South Tyroleans. Overall, using analysis of variance (Fisher test) and pairwise comparison (Scheffé test), group differences in product and country evaluations were assessed, confirming that COO effects may vary significantly across subcultures within a country (see manuscript #2).

Manuscript #1	*Type*	Qualitative
	Method	Literature review
		Exploratory multiple-case study
	Case studies (selection)	Deutsche Bank, Ricola, Toblerone, Volkswagen, William Hill
Manuscript #2	*Type*	Quantitative
	Method/data collection	Drop-off/pick-up survey at households in two cities
	Sample	n=212, female=43.9%, age 17-76 years (median 30, mean 33.7)
	Data analysis	Cluster analysis, analysis of variance
Manuscript #3	*Type*	Quantitative
	Method/data collection	Intercept survey in a shopping centre
	Sample	n=165, female=48.5%, age 14-87 years (median 37, mean 36.7)
	Data analysis	Cluster analysis, hierarchical multiple regression models

Table 3: Research design of the manuscripts

Finally, the third research question has been studied by using an intercept survey in a shopping mall. Two different, physical and unbranded pairs of sneakers were presented to the survey participants and had to be evaluated in terms of product quality and design quality. To indicate the origin of the respective pair of sneakers, both explicit ("Made in Italy" and "Made in Germany", respectively) and implicit (Italian flag and German flag, respectively) COO elements were used. The two different pairs of sneakers were alternately presented as "Made in Italy" and "Made in Germany" respectively. Based on the findings of the above described research, this study has not been designed as a cross-national study but as a cross-cultural study among the subcultural groups of Italian-speaking and German-speaking South Tyroleans. The research design therefore allowed an investigation of the effects of culture (Italian vs. German) and manufacturing strategies (mass produced vs. mass customized) on country-of-origin perceptions. It has been found that both culture and manufacturing strategy have significant effects on the perceived product quality and on the perceived design quality of sneakers (see manuscript #3). Table 3 provides an overview on the research design of the three manuscripts.

The following figure visualises how the three manuscripts are connected and how they are positioned in this thesis. Manuscript #1 is a partial basis for manuscript #2 and manuscript #3, especially with regard to the use of the phrase "Made in…" and other

explicit and implicit COO strategies, e.g. the use of a country flag as stimulus in the survey of manuscript #3. Manuscript #2 provides the conceptual basis for the clustering in manuscript #3 and justifies the use of language as a proxy for culture, rather than the customer's nationality.
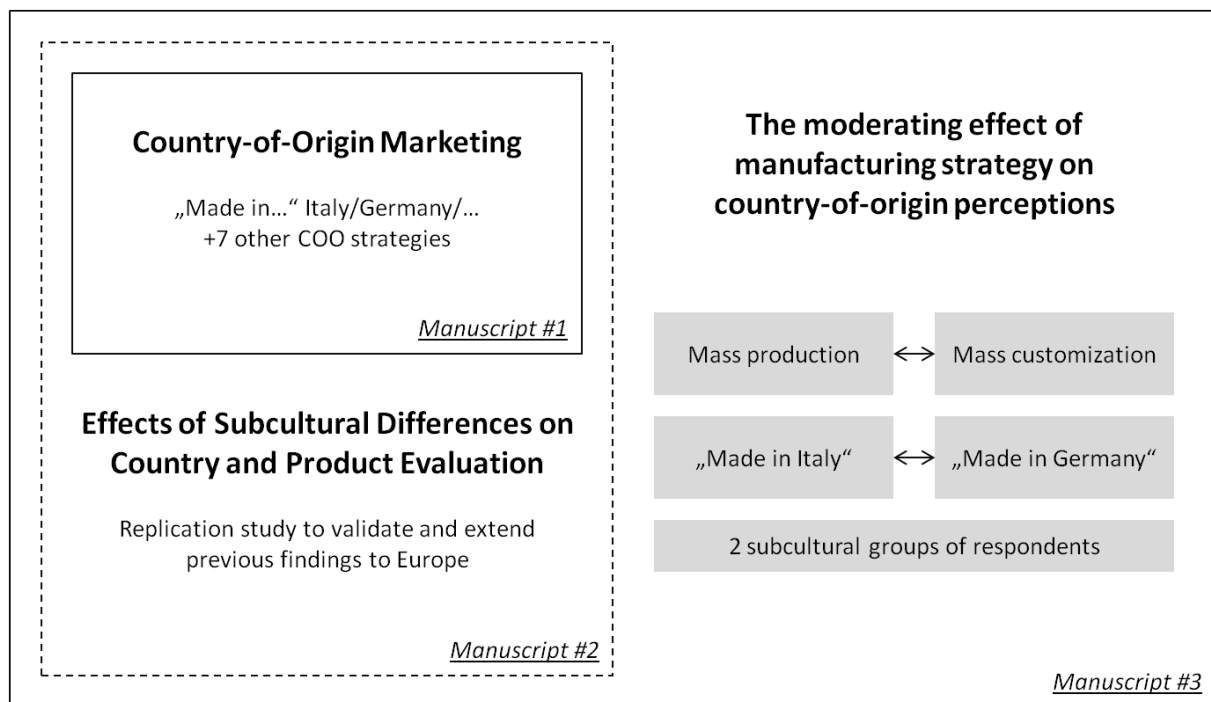

Figure 1: Interaction between the manuscripts

In the following section, the three manuscripts are presented. Please note that any difference with regard to the use of British English or American English in this thesis is due to the specific requirements of the respective Journal. This also applies to the in-text citation style. The sections of each manuscript are numbered starting from one, while the figures and tables of the whole thesis are consecutively numbered. This is intended to enhance readability while maintaining the necessary distinction between the individual manuscripts. The complete list of references can be found at the end of the thesis and includes all references of the preamble and conclusion of the thesis as well as of all the individual manuscripts. References that are cited in two or more sections and/or manuscripts are therefore included only once.

IV. MANUSCRIPTS

Manuscript #1

Title: Country-of-origin marketing: A list of typical strategies with examples

Status: Published

Journal: Journal of Brand Management

For the final, published article please refer to:

Aichner, T. (2014) Country-of-origin marketing: A list of typical strategies with examples. *Journal of Brand Management* 21(1), 81-93.

Available from the author upon request.

Manuscript #2

Title: Effects of subcultural differences on country and product evaluations: a replication study

Status: Under review (passed "desk reject")

Journal: International Marketing Review

Available from the author upon request.

Manuscript #3

Title: The moderating effect of manufacturing strategy oncountry-of-origin perceptions:mass production versus mass customization

Status: Published

Status: Registered at University of Padova, Department of Management and Engineering, Stradella S. Nicola 3, 36100 Vicenza, Italia. WP N. 1/2015

Available from the author upon request.

V. CONCLUSION

1. Implications for Research and Practice

For all the results, implications, limitations and suggestions for future research, please refer directly to the three manuscripts. This concluding section of the thesis provides a number of additional considerations that have emerged after the submission and/or publication of the single manuscripts.

Implications for Research

In typical empirical COO research, a sample of students or customers is asked to assess products that originate or that seem to originate from different countries or regions. One of the most critical issues in the design of this type of studies is the presentation format of the products. It ranges from situations where the survey participants assess products in general, without referring to a specific brand, product or product category (e.g. Manuscript #2, Laroche et al. 2005, Wang et al. 2012) to the use of paper and pencil (verbal) product representations (e.g. Roth and Romeo 1992, Hsieh et al. 2004) to graphical product representations (e.g. Lim et al. 1994, Insch and McBride 2004, Lee et al. 2013) to the use of actual, physical products that are handed to the participants (e.g. Manuscript #3, Koschate-Fischer et al. 2012).

Even though researchers are already applying explicit and/or implicit COO stimuli, both legally regulated and unregulated, the fact that Manuscript #1 conceptualizes and summarizes the different COO marketing strategies that are actually employed by companies is of academic relevance. This is because it facilitates the selection of a stimulus that matches the individual research objective in the respective study and that best reflects the situation in the real world. For example, the use of the phrase "Made in Italy" is only appropriate when the researcher wants to suggest that the entire process of design, development, production and packaging has been carried out exclusively on the Italian territory, in contrast to suggesting that the product is an Italian brand, in which case the use of an Italian brand name may be sufficient. The formulation of a set of COO marketing strategies enables also an easier comparison of different studies, as it allows for a simple classification of which kind of stimulus/stimuli have actually been employed in the study design.

The data that were used in Manuscript #2 and Manuscript #3, respectively, originate from two different, distinct, paper-based surveys with different data collection techniques, i.e. drop-off/pick-up survey in residential areas vs. intercept survey in a shopping centre. The participants in both studies originate exclusively from the Italian region of South Tyrol and the surveys were conducted within a short period of time, which minimises the influence of external events on the respondents' answers. While the scales to measure COO perceptions differ between the two surveys, the cultural affiliation has been determined by using the same construct that measures, in percent terms, the use of Italian and German language across eleven activities (e.g. at home, with relatives, with close friends, reading newspapers, etc.). In this regard, a comparison of the two samples shows that there are no statistically significant differences in the use of the Italian and German language between the two samples, with one single exception: the use of language when shopping. On average, the individuals comprising the sample of Manuscript #2 indicated that they use German more often when shopping than the individuals comprising the sample of Manuscript #3. The respondents in both samples indicated using Italian ($M_{drop-off/pick-up\_shopping\_ITA}$=51.94 vs. $M_{intercept\_shopping\_ITA}$ =61.45; t(375)=-9.510, p=0.003) generally more frequently than German ($M_{drop-off/pick-up\_shopping\_GER}$=45.52 vs. $M_{intercept\_shopping\_GER}$ =37.21; t(375)=-8.311, p=0.009). However, given that with the exception of shopping, all other items show no significant differences, it can be concluded that the two samples do not differ in terms of distribution of cultural affiliation. This indicates that researchers may indifferently use any of the two survey methods to sample comparable subsets of subcultures within a region or country. Noteworthy, the average age of the survey participants differs significantly between the two studies, with participants in the drop-off/pick-up survey being younger on average and participants in the intercept survey being older on average ($M_{drop-off/pick-up\_age}$=33.62 vs. $M_{intercept\_age}$=36.66; t(373)=-3.040, p=0.042), which is somewhat contrasting to what one would expect. Possible limitations and opportunities for future research that derive from this difference are further discussed in the following section 2.

Implications for Practice

Amongst the most relevant findings for companies is the fact that a specific COO may not be generally positive or generally negative when marketing a product in a specific

market, even if this is not immediately clear at first sight. This does not refer to such obvious cases as South Korean products being sold in North Korea or vice versa, but to regions and countries where people with different ethnic backgrounds live together, as it is the case in the Northern-most Italian region of South Tyrol, which was studied in the second and third manuscript. For example, if a foreign company decides to adopt an origin-based marketing strategy in South Tyrol that has previously worked well in another Italian region, this may backfire as the German-speaking South Tyroleans show significantly different preferences for Italian and foreign products than Italian-speaking South Tyroleans do. Especially when a company is growing fast and trying to enter new markets quickly without doing the necessary market research, there is a considerable risk in adopting a COO-based marketing.

On the other hand, the existence of subcultural groups in one country, with possibly contrasting COO perceptions, creates a number of opportunities for companies. First, new brands may be created and positioned accordingly, with different alleged COOs for different ethnic groups of customers. In alternative, companies may not use COO marketing at all, as it is the case of the British car brand Jaguar which decided to adopt a high-tech image and avoid mentioning the COO in foreign markets (Kaynak et al, 2000). Second, foreign companies may use their well-established marketing routines, brand names, packaging and advertisements from the home market to enter foreign markets with culturally affiliated subcultures, e.g. when a French company wants to approach French-speaking minorities in Canada, Switzerland or Belgium. This approach of looking for promising within-country or cross-country market segments is generally referred to as intra-national or integral market segmentation, respectively (Kutschker and Schmid 2011). Third, using again South Tyrol as an example and assuming that South Tyrolean customers that are affiliated with the German culture do not significantly differ from other German cultures and subcultures, Italian companies may test certain marketing strategies in this Italian region before entering the Austrian or German market, which considerably reduces legal and administrative efforts and financial risks. For these reasons, the findings of Manuscript #2 and Manuscript #3 may be also relevant for some companies' international target market strategy as they illustrate potential advantages of an insular expansion into non-neighbouring markets rather than a concentric expansion (Lee and Yang 1990).

For additional implications, opportunities and threats, please refer directly to the respective section of the three manuscripts.

2. Limitations and Future Research

First and foremost, it must be emphasised that COO images are just one of several extrinsic cues that determine customers' product evaluation and its importance should therefore not be exaggerated or generalised to all product classes or situations (Papadopolous et al. 2000). Here, I discuss some limitations and research opportunities that have not or only partially been mentioned in the individual manuscripts.

The findings of Manuscript #1 are mainly limited by the restricted number of cases that were examined. The cases include practical examples that cover approximately the last five to ten years, which were accessible online at the moment of the research and cover exclusively brands that advertised in English, German or Italian language, thus excluding a considerable share of brands and companies from Asia, the Arabic world or Latin America that do not employ any of these three languages. Nevertheless, the eight described COO marketing strategies may offer a number of opportunities for future research. The most promising opportunity is the empirical comparison of legally regulated strategies with unregulated strategies in terms of their impact on consumers, e.g. with regard to willingness to buy, willingness to pay and product evaluation. More specifically, do customers understand and value the difference between the use of "Made in Italy" as compared to the use of an Italian flag, given that the latter COO marketing strategy does not guarantee that the product is actually Italian? Furthermore, researchers may assess the value of combining two or more COO marketing strategies, possibly finding the best combination in general or for specific products or product categories, different target markets and types of customers. For example, to what extent is the combination of the phrase "Made in…" with the respective country flag more effective than using only the country flag? Finally, the classification can help in assessing if there are combinations or situations that may result in a reversal effect, e.g. because important product attributes or the complete product itself is forced too much into the background. These results would be not only

interesting to, but also highly relevant for companies, in order to facilitate the selection of the most suitable combination of COO marketing strategies.

A limitation that is shared by both Manuscript #2 and Manuscript #3 is that we have not differentiated between different COO dimensions, i.e. country of design, country of assembly, country of parts, country of manufacture and country of brand . In Manuscript #2, we argue that this might be a minor limitation for two reasons. Firstly, because companies are trying to communicate one single COO dimension, presumably the most favourable one, as the product's overall origin and, secondly, because the customers' perceived COO of a product is consequently limited to one single, specific country. For example, from a Western European perspective it is hard to believe that the South Korean company Samsung Electronics could be considered to be anything else than South Korean, even though it operates 38 production sites in 15 countries around the globe. The same applies to the German car manufacturer Volkswagen, which has a high interest in maintaining a German image, even though it operates 118 production plants in 31 worldwide countries, with every second car being assembled in a country other than Germany. Nevertheless, we cannot preclude that the consideration of different COO dimensions may lead to interesting and contrasting findings.

With regard to the difference in the age distribution between the samples of Manuscript #2 and Manuscript #3 (see section 1 of this chapter), the following potential limitation emerges. This difference could be an indicator of self-selection bias, as it seems that older customers are more willing to stop their shopping experience to take part in a survey. This conjecture that there has been self-selection bias in the study reported in Manuscript #3 could appear even stronger if one assumes that younger customers are more likely to shop and hang out in shopping centres (Jackson et al. 2011) while older customers are more likely to shop in traditional stores. However, this conjecture could be refuted if one considers that e-commerce has been growing strongly at a recent annual growth rate of 13.7% on average in the European Union, 17.5% in Italy and up to 25.4% in Russia (Ecommerce Europe 2015) and younger customers are much more prone to shop online (Lian and Yen 2014). It is therefore hard to say whether there was self-selection bias or if there were simply a higher number of older customers in the shopping centre as compared to the respondents that were reached through the drop-off/pick-up survey in the residential areas in Manuscript #2.

Finally, both empirical manuscripts assess the perception of Western European customers about Western European products. Given that Manuscript #2 is a replication of an original study that has been carried out in Canada, its results, which corroborate those of the original study, may be considered to be robust and generalisable for a number of markets and economies. By contrast, Manuscript #3 assesses a new and unstudied hypothesis, namely the moderating effect of the manufacturing strategy on COO effects. The study design may be refined and the inclusion of additional variables and terms of interaction in the regression model should be considered. Furthermore, future studies that assess this hypothesis may include products from emerging countries or from countries with a less favourable image than Italy and Germany, respectively.

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