

Does Brand Name Order Really Matter in The Relationship Between Country of Origin Fit and Purchase Intention?

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Abstract: To have access to wider markets quite a number of companies see co-branding as an effective market entry strategy and this has proven to be highly rewarding for some global players. Even though co-branding has its own associated risks, when done well, it can be rewarding. An important issue of concern in this study is the country of origin fit factor. It is assumed that if country of origin fit is high it will affect consumers' purchase intention more positively than when country of origin fit is low. That notwithstanding, it is also assumed that, a change in the brand name order will also affect the relationship between country of origin fit and purchase intention.

The study sought to prove that, irrespective of the countries or brands involved in the co-branding, a change in the brand name from "AB" to "BA" where "A" is the host brand and "B" is the partner brand, elicited a change in consumers' purchase decision. This shows how brand name order plays an influential role in consumers' purchase decision.

Keywords: co-branding, country of origin fit, brand name order.

I. INTRODUCTION

Country of origin has long been studied by many researchers but it is still relevant today owing to globalization. And as the world becomes more globalized, global brand managers become more interested in efforts to get their brand across borders. In view of this it is important to have a better understanding of how consumers from different parts of the world respond to these brands. Since there are different cultures and languages in different countries, the response to brands or products is certainly going to be different. It is not surprising when consumers in Mexico respond positively to brand A and consumers in Korea respond negatively to the same brand A. One way through which companies are able to get their brands across borders is co-branding. In fact, co-branding has been described by some researchers as effective market entry strategy and this has been successfully implemented by a number of global players. Google and Nestle have been able to exploit this concept and were listed in the Forbe's world's most valuable brand (McCarthy et al.,2014).

As companies want to indulge in co-branding the issue of country of origin fit becomes an issue of concern. Country of origin fit is described as the overall perception that consumers have about the compatibility of two countries engaged in a co-brand deal. And so, in this case, it is proposed that a high country of origin fit will elicit a more positive response as opposed to a low country of origin fit. In the research by Wei Andy Hae (2008), they stated that, for a successful co-branding to occur it is important to choose the right partner.

II. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Brand name Order:

From the perspective of Kohli and LaBalm (1997), as far as brand image is concerned, the name of the brand plays an important role in influencing consumers' attitude towards a co-brand and even on their purchase intentions. In the same vein, Hillenbrand, P., Alcanter, S., Cervantes, J., and Barrios, F.(2013), also mentions that the product name or brand

name plays a significant role on consumers mind because it can act as the first point of interaction when a consumer comes across a brand or product. That being said, in the branding process, the choice of the right name and the design can either have a positive or negative impact on the company in question. From this premises, we see that brands go a long way to inform consumers about the company and so in order to get rid of the confusion that might befall consumers when they come across brand names, it is paramount that companies create and carefully select brand names. From Jiang, P. (2004), assertion, consumers seem to use brand names as a measure of how quality a product is, especially when they are not able to look for other quality determinants of the product or brand. In this study, the brand alliance of the brands in question means that brand naming will definitely be an important factor to consider, especially with regards to how the order of the names will be, since both brand names are included in the brand naming.

In brand alliance, the ordering of the brand names is probably going to stir up different responses owing to primacy and recency effect. Consumers' decision according to the information processing theory can to a greater extent be affected by how information is presented (Richard B.Y Zhang, 2000).

Considering the fact that this study is concerned with brand name ordering, it is proposed that re-ordering of the brand names will most likely elicit varied responses in this brand alliance story.

A cursory look at the study by Li et al.,(2013) with respect to consumer ethnocentrism and brand name order, shows that the brand that tend to appear first in the brand name seems to have a very strong impact in the international brand alliance attitude. From this, clearly, the brand name that appears first in the brand naming order plays a critical role in how consumers evaluate the brand alliance.

When the host brand name "A" decides to partner with a partner brand name "B", naturally it is expected that, the brand naming of the alliance "AB" will mean that A has more power, responsibilities and control and as such A will be seen as more quality. A typical example is Sony and Ericson named as SonyEricson (Li et al., 2013). In this case, people are most likely to have positive attitude towards the alliance since the more quality brand appears first in the brand naming. Conversely, where the partner brand name appears first in the brand naming order, then consumers will be in a dilemma or confused and probably view the alliance as unfavourable. In view of this it is hypothesized that,

H1: When country of origin fit is high and brand name order is Goldspark Helix Coffee, purchase intention will be higher than when brand name order is Helix Goldspark Coffee.

H2: when country of origin fit is low and brand name order is Helix Freshtime Coffee purchase intention will be the same as the case of Freshtime Helix Coffee.

Country of Origin:

The term country of origin has been defined as either brand origin or product origin (country of manufacture); brand origin referring to the home country of the brand, and product origin referring to where the product was actually made (Sangwon Lee et al, 2009). Dongdae Lee Gopala Ganesh, (1999) asserts that the impact of country of origin on consumer evaluation of binational products can be better understood through the division of COO into the two sub-constructs of CMOI and CMPI. Consumers can have a good image about a country's products while they have negative overall image about that country. Dongdae Lee Gopala Ganesh, (1999) discovered that COO can be utilized as a proxy for judging quality when other information about the product is lacking. From the categorization theory perspective, a country name serves as a categorical cue for consumer information processing. Upon seeing a country of origin label on a binational brand, consumers are likely to draw an affective judgment associated with the country name. If the country name is associated with a positive image, attitudes toward the binational brand are likely to be positive. On the contrary, if it is associated with a negative image, negative attitudes are likely to result.

Extensive research from various authors, have proven that country of origin indeed does affect product perceptions or evaluations. Here product source countries are important considerations because products from DC(developed countries) and LDC(less developed countries) are likely to receive different evaluations. Stereotyping has been found among US, British, Finish, Swedish, Japanese, Guatemalan, Turkish, Indian and Taiwanese respondents. It may influence both industrial purchasing decisions and consumer purchasing decisions (Eric B. Nes 1982). According to several studies, there exist some form of hierarchy of biases which include a seemingly positive relationship between product evaluations and degree of economic development and so Gaedeke, (1973) was able to find that, U.S made products were perceived as being of higher quality than products made in various Less developed countries and that specific brands might be evaluated higher or lower when LDC country of origin was revealed as compared with no country-of-origin information being given. For consumers in developed countries, research has consistently found that there is a preference for products manufactured in the home country (Bilkey and Nes, 1982; Rierson, 1967; Samiee, 1994)

Bluemelhuber et al.,(2007) described country of origin fit as the consumer's perception of the overall compatibility on images of the two countries of origin involved in the brand alliance. So in this way Lee, Lee and Lee (2013) posit that consumers are likely to form favourable attitudes toward both the host and partner brands when both countries' images are compatible with each other. On the other hand, if consumers perceive that the two countries are incompatible, unfavourable consumer attitudes may follow. Since country of brand and country of manufacture are two different things, it's important to state clearly that this research is based on country of brand.

Co-branding:

Even though the term co-branding has no definite definition, it is still clear that the term is used to denote an association of two or more brands for a strategic purpose. Either to penetrate a new market segment or effectively compete with competitors to become global players etc. depending on the intent of the brands involved in the alliance. The initial literature on the subject was first published in the 1990's by Norris. Till date, it is still an interest area for many researchers owing to globalization. It is important to point out that strategic brand alliance and co-branding are thinly different. According to various researchers like (Desai & Keller, 2002; kippenberger, 2000; Norris, 1992). Various terms such as ingredient brand alliance, co-branding, co-marketing, cross-promotion, joint branding, joint promotion and symbiotic marketing come under strategic business alliance.

In this research our main concern is co-branding. Cross border SBA is a unique form of brand alliance with one company headquartered in one country and the other company headquartered in another country or market (Bluemelhuber et al.,2007). However, consumers' product evaluations become complex when the brands are from different countries, as is often the practice in cross-border brand alliance (Lee, Lee and Lee 2013). Some researchers summarize the advantages of implementing a cobranding strategy as follows: "From the viewpoint of both the operator and the partner, the ability to access a broader customer base and form new relationships with clients is one of the most important and beneficial advantages. The revenue generated by the partnership can generally outweigh the expense of forming the alliance; as a result, budgeted expenditures can be concentrated in other areas. Examples of co-brands include the following: Apple Nike, Asus - Garmin, Mastercard-Virgin, Best Western – Harley Davidson, Motorola - Ferrari

Purchase Intention:

According to Wang et al.,(2008) when consumers intend to buy branded products, their intention to purchase is not only influenced by their perceptions of the brand, but also the country image. Fishbein and Ajzen (1975) describes buying intention as a "special case of beliefs in which the object is always the person himself and the attribute is always a behavior." And from the theory of Reasoned Action, it is understood that an individual's intent to adopt a particular product or brand is determined by his/her attitudes and beliefs of how useful the product or brand is Fishbein and Ajzen (1975).

Since various researches (Roth and Romeo, 1992) have proven a positive relationship between country of origin image and purchase intention, in this study it is interesting to also propose a positive relationship between country of origin fit and purchase intention. More specifically, it is expected that when consumers assume a high country of origin fit purchase intention will be high and when consumers assume a low country of origin fit then purchase intention will be low. Further, it is expected that, this relationship will be moderated by the activity of brand name order.

III. METHODOLOGY

Design and Procedure for the study:

For the study, a total number of 222 students from Ghana participated in the study. It was deemed appropriate to create fictitious brand name to conduct the study. So brand names like:

Helix coffee, Freshtime coffee and Goldspark coffee were used. There is a possibility of halo effect should real brand name be used. In view of this, fictitious brand names were used. The subjects were divided into two major groups- high country of origin fit and low country of origin fit. Then each group was further divided in two groups again. So that in all there were four groups with each group assigned to a separate set of questions. The first two groups saw an alliance of Ethiopia brand of coffee and Columbia brand of coffee (assumed as high country of origin fit) whereas the second group saw an alliance of Ethiopian brand of coffee and China brand of coffee (assumed as low country of origin fit). In each of the questionnaires, questions pertaining to their thoughts about the image of the countries in the co-brand, demographic data, attitudes towards the brand name order and purchase intentions were asked. In a bid to test the hypothesis a 2 (country of origin fit: high and low) x 4 (brand name order: Goldspark Helix, Helix Goldspark, Helix Freshtime,

Freshtime Helix) factorial between subjects’ design was used. Here, we had four levels of brand name order and two levels of country of origin fit.

Measures and Reliability Test:

The measures used were assessed through seven-point bipolar semantic differential scales. The main independent variable - country of origin fit, was measured using the items – “the images of the countries are consistent with each other”, “complementary to each other” “compatible to each other”, “similar to each other” and “relevant to each other” (Lee and Lee, 2011).

The dependent variable – purchase intention measured using the items – “it is very likely that I will buy the co-branded product”, “If the co-branded product is launched, I will buy the co-branded product the next time I need that kind of product”, “I will definitely try the co-branded product”,

Cronbach’s alpha for country of origin fit was .910, familiarity was .882, brand name order was .691 and purchase intention was .848. From the figures, it can be said that an internal consistency was observed in each of the constructs used.

IV. ANALYSIS AND RESULTS

The main assumption suggested in this study is that there is a positive relationship between country of origin fit and purchase intention such that, when country of origin fit is high purchase intention will be high and when country of origin fit is low, purchase intention will be low. From the table below it is clear that the main effect of country of origin fit on purchase intention was significant, $F(1, 214) = 92.316, p = .000$. The main effect of Brand Name Order on purchase intention was also significant, $F(3, 214) = 7.027, p = .000$. Finally, there was a significant interaction between country of origin fit and brand name order on purchase intention, $F(3, 214) = 3.218, p = .024$

Table 1: Moderation Effect of Brand Name Order Results

Independent Variable	Dependent Variable	df	Mean Square	F	Sig	Partial eta squared
COO Fit	PI	1	147.735	92.316	.000	.301
BNO	PI	3	11.246	7.027	.000	.900
COO Fit x BNO	PI	3	5.149	3.218	.024	.043
Error	PI	214	1.600			

To find out how the groups differed, a multiple comparison analysis was carried out. It was clear that when country of origin fit was assumed as high, the mean purchase intention for the co-brand was significantly different: Goldspark Helix coffee and Helix Goldspark coffee ($p=.08$) similarly, when country of origin fit was assumed as low the mean purchase intention for the co-brand was significantly different: Helix Freshtime coffee and Freshtime Helix coffee ($p=.06$). This is an indication that irrespective of whether consumers regard the two countries in the co-branding deal as high fit or low fit, the change in the brand name order has a significant impact on their purchase intention.

V. CONCLUSIONS

Usually country of origin studies differs in countries and so this study was carried out in Ghana to find out how Ghanaian consumers are affected by country of origin cues. The crux of this research was to understand the importance of brand name order in co-branding. Since information processing theories, recency and primacy effects are real, it is believed that these could play a crucial role as far as consumers’ decision on co-branding is concerned. In the study, it was discovered that brand name order had an influence in consumers’ purchase decisions. Specifically, there was a change in consumers’ purchase decision when the brand name Goldspark Helix coffee was changed to Helix Goldspark coffee. Similarly, there was a change in consumers’ purchase decision when the brand name was changed from Helix Freshtime coffee to Freshtime Helix coffee.

The results here contribute to the literature on country of origin fit effects and provides further evidence on how brand name order plays a significant influence in the relationship between country of origin fit and consumers' purchase intention. As with any research, there will surely exist some limitations worthy of notice. Using fictitious brand names, names that our subjects had absolutely no knowledge of is a possible limitation of this study. In view of this, it is hoped that future study will make use of real brand names in this research in the future.

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