

THE IMPACT OF COUNTRY IMAGE AND COUNTRY-OF-ORIGIN ON THE WILLINGNESS TO PAY A PREMIUM PRICE FOR FASHION PRODUCTS: A CROSS-NATIONAL ANALYSIS ON DEVELOPING COUNTRIES

Pucci, Tommaso¹; Casprini, Elena²; Guercini, Simone³; Zanni, Lorenzo¹

¹Department of Business and Law Studies, University of Siena, Siena, Italy

²Institute of Management, Scuola Superiore Sant'Anna, Pisa, Italy

³Department of Economics and Management, University of Florence, Florence, Italy

ABSTRACT

The constructs of country image and country-of-origin have been largely adopted in international marketing literature that has analysed them with respect to consumers' purchasing behaviours (Veale and Quester 2009; Teas and Agarwal 2000). Nonetheless, scant empirical evidence has been provided with respect to their impact on price-related issues (Koschate-fischer, Diamantopoulos, and Oldenkotte 2012; Agrawal and Kamakura 1999): to what extent are consumers more willing to pay premium prices for a particular product category from a foreign market? Is this difference, if any, country specific?

This paper provides first empirical evidence of a cross-national analysis on developing countries over consumers' willingness to pay premium prices for Italian fashion products. In doing that, we distinguish between country image, as the image consumers have of Italy as a country, and country of origin, as the image consumers have of "Made in Italy" fashion product (Pucci, Simoni and Zanni, 2012).

Results from an ordered logistic regression show that country image and country of origin are countries specific, presenting different roles in China, India, Thailand and Brazil. In particular, country image positively affects the willingness to pay of Chinese consumers, country of origin is positively related to willingness to pay for Italian consumers, while in Thailand only socio-demographic characteristics result significant. Finally, country image negatively affects (and country of origin image positively affects) the willingness to pay of Thai consumers.

Empirical as well as theoretical implications are then explored at length in the paper.

Keywords: *Country-of-origin; Country image; Made in Italy, Fashion*

REFERENCES

Agrawal, J., and Kamakura, W. A. (1999), "Country of Origin: A Competitive Advantage?" *International Journal of Research in Marketing*, Vol. 16, No. 4, pp. 255–67.

Koschate-fischer, N., Diamantopoulos, A. and K. Oldenkotte. 2012. "Are Consumers Really Willing to Pay More for a Favorable Country Image ? A Study of Country-of-Origin Effects on Willingness to Pay." *Journal of Interactive Marketing*, Vol. 20 No. 1, pp. 19–41.

Pucci T., Simoni C., Zanni L. (2012), "Country of origin, brand image and store management for the exploitation of "Made in Italy" in China", in Bertoli G., Resciniti R. (eds), *International Marketing and the Country of Origin Effect: The Global Impact of Made in Italy*, Edward Elgar.

Teas, R.K. and Agarwal, S. (2000), "The Effects of Extrinsic Product Cues on Consumers' Perceptions of Quality, Sacrifice, and Value", *Journal of the Academy of Marketing Science*, Vol. 28 No.2, pp. 278–90.

Veale, R., and Quester, P. (2009), "Do Consumer Expectations Match Experience ? Predicting the Influence of Price and Country of Origin on Perceptions of Product Quality", *International Business Review*, Vol. 18, pp. 134–44.