

來源國效果對消費者採用文化創意產品意願之研究

Country-of- Origin Effect on Consumer's Adoption of Cultural & Creative Products

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摘要:自 1960 年代以來，來源國效果對消費者購買行為的影響，便受到專家學者的興趣與注意。另一方面，在全球化的背景下，消費者較以往有更多的機會接觸其他國家的文化創意產品。而過去文獻在來源國效果的研究上，鮮少著重在文化創意產品上。據此，本研究擬探究來源國效果對文化創意「核心產品」與「週邊產品」之購買意願，並了解國家熟悉度的干擾效果、以及文化產品類別間的關聯效果。

本研究實證之「核心產品」為電視劇及工藝設計，「週邊產品」為旅遊。產品來源國包括美國、日本、臺灣、韓國。其主要結論為：(1)COO 形象會透過態度，進而影響消費者購買/採用該國文化創意產品之意願。(2)消費者對核心產品之態度會影響其對週邊產品的購買意願。(3)COO 形象對文化產品態度的影響受到「國家熟悉度」所干擾。(4)關聯效果存在。亦即，消費者會以該國較為熟悉的文化產品推論較不熟悉的文化產品。

關鍵字：文化創意產品；來源國；關聯效果

Abstract: Since the mid-1960s, numerous researches have successfully employed

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country-of-origin (COO) in evaluating consumers' purchasing decisions. On the other hand, on the context of globalization, consumers have more opportunities to select cultural & creative products (C&C products) from foreign countries. Previous studies on analyzing COO effects seldom focus on C&C products. To fill up the gap, this study tries to examine COO effects on the purchases of a core as well as a peripheral C&C products. Moreover, this study also tests the intervening effect of country familiarity on COO and consumer's attitude toward C&C product and the association effect between different C&C product categories.

The empirical results of this study are as follows. (1) COO effect will influence consumers' attitudes toward the C&C product and in turn influence their purchase/adoption intentions. (2) Consumers' attitudes toward the 'core' C&C product positively affect their purchase/adoption intentions on the 'peripheral' C&C product. (3) 'Country familiarity' has an intervening effect on COO and consumer's attitude toward the core C&C products. (4) There is an 'association effect', i.e., consumer will infer the quality of an unfamiliar C&C product category from the quality of a familiar C&C product category.

Keywords: Cultural and creative product; Country of origin; Association effect

1. Introduction

It has been generally agreed that consumers evaluate a product on two information cues: intrinsic cues (e.g., design, performance) and extrinsic cues (e.g., price, brand name, warranty, country-of-origin (COO)) (Han, 1989; Han & Terpstra, 1988; Verlegh *et al.* 2005). For international products, especially those which consumers are not familiar with, extrinsic cues become important information source for consumers to evaluate the products (Han, 1990; Hong, 1992; Kolter & Gerner, 2002). By the trend of globalization, consumers have more chances to adopt and purchase foreign products nowadays. In such a circumstance, will consumers regard country-of-origin as an information cue in evaluating a foreign product? In other words, in the context of globalization, does country-of-origin effect play an important role for consumers to assess the qualities of the foreign product?

In addition, ‘cultural industry’² has received much attention recently. In Taiwan, people gradually accept foreign culture. According to the definition made by Taiwan’s Council for Cultural Affairs (2002 and 2004), cultural and creative industries (C&C industries) are derived from cultural accumulation. By the application and formation of intellectual property, the C&C industries could create wealth and employment and promote national living environment. Furthermore, the Council for Economic Planning and Development (CEPD) in Taiwan defines the cultural and creative industries as follows: (1) ‘Culture industrialization’ indicates the use of creative culture to promote consumer products; (2) ‘industry culturalization’ indicates the use of cultural design to increase products’ added values. Previous studies on COO effect mostly focus on physical products and seldom on non-physical products such as creative products (e.g., performing art, film and video). To our best knowledge, there is no literature that examines the COO effect on the adoption of cultural and creative products (C&C products). As cultural and creative products often display certain social customs or rituals of a country, they are different from other consumer products. For this reason, the first purpose of this study attempts to investigate if COO effect has a significantly impact on a consumer’s adoption of domestic vs. foreign cultural and creative products. A LISREL model is employed to analyze the above effect.

The Council for Economic Planning and Development in Taiwan classified the cultural and creative industries into the ‘core industries’ and the ‘peripheral industries’. The core industries include the following 13 industries: ‘advertising’, ‘architecture’, ‘art & antiques market’, ‘crafts’, ‘design’, ‘designers fashion’, ‘film’, ‘interactive leisure software’, ‘music’, ‘performing arts’, ‘publishing’, ‘software and computer services’, and ‘television and radio’. On the other hand, the ‘peripheral industries’ are the industries which use the concept of the core industries and apply them to related areas. Hence, the core industries are the bases

² ‘Cultural industry’ is proposed by Adorno & Horkheimer (1947) in their book ‘Dialektik der aufklärung’. After the following 60 years, different definitions of cultural industrial are proposed. Throsby & David (2001) in their book ‘Economics and Culture’ suggest cultural and creative industry should have three features.

of the C&C products, and the peripheral industries apply the concept of core C&C product industries. For example, the development of tourism industry (a peripheral C&C industry) should be dependent on architecture, crafts, and art industries (a core C&C industry). The comparisons of the core C&C industry categories of England, Hong Kong, New Zealand, Korea, and Taiwan are shown in Table A1. With this in mind, the second purpose of this study is to examine if consumers' attitudes toward the core C&C products will influence their purchase intentions on peripheral C&C products. If this effect exists, this study will further compare the argument of COO effects on the purchase intentions between a core product and a peripheral product.

Moreover, previous studies have shown that COO has greater effects on purchase intention when consumers are not familiar with the products than when they are (Han, 1990). In other words, when consumers are not familiar with the country's products, they may use COO to evaluate the products so as to simplify the complex choice processes. Although, several studies have answered the COO effect on consumers' purchase intention, this paper is the first one to examine if country familiarity has an intervening effect on COO and consumers' attitudes toward foreign products. Moreover, to our best knowledge, there is no paper examining the COO effect on foreign cultural and creative products. Therefore, the third purpose of this study is to investigate if country familiarity has intervening effect on COO and consumers' attitudes toward cultural and creative products.

Finally, for the generality of country image, consumers may rate specific attributes of a country's products in accordance with their overall perception of the products when they are not familiar with the country's products. Given this, the fourth purpose of this study is to examine if consumers will infer quality of a product from their image on other products produced by the same country. In other words, there may exist a significant association among images of different product categories.

Specifically, this study shall assess: (1) the direct effect of COO on consumer attitude toward C&C product and the indirectly effect of COO on consumer purchase intention; (2) the effect of consumers' attitudes toward core

C&C products on their purchase intention on the peripheral C&C products; (3) the intervening effect of country familiarity between COO effect and consumers' attitudes toward the C&C products; (4) the existence of association effect between an familiar C&C product and the other unfamiliar C&C products

2. Literature Review and Hypotheses

As note above, numerous researches have been successful in evaluating the effects of COO³ (or country image) on consumer's choice behavior for the past four decades. According to Usunier's estimation (2006), more than 400 academic (peer-reviewed) papers dealing with the influence of a product's COO on consumers' product evaluations have been published. These research includes the definitions for country image and COO, COO effects across different consumer backgrounds (e.g., nationality, patriotism, lifestyle), and COO effects on different product categories, etc. Schooler's (1965) is the first article to prove the influence of the COO on consumers' evaluations. Since then, the literature has studied the COO image in a number of countries and for many industrial goods (e.g., Nagashima, 1970; Schooler, 1971). However, Bilkey and Nes (1982) argue that COO is only one attribute among the many that characterize a product. A product may process intrinsic attributes and extrinsic attributes. Therefore single-cue studies tend to over-estimate the impact of COO. Since the 1980s, researches on COO have focused on multi-attribute studies by adding marketing variables, environmental variables, price, and store, etc. into the analysis (e.g., Bilkey and Nes 1982; Han and Terpstra, 1988; Martin and Eroglu, 1993; Cho and Kang, 2001; Verlegh *et al.* 2005).

Previous studies also have different definitions for COO. For example, Nagashima (1970) gives a good point for profiling the country image. He states that country image is the picture, the reputation, and the stereotype that businessmen and consumers give to products of a specific country. This image is

³ Following the trend of globalization, many companies use OEM strategies as a substitute for direction production. As a result, a product's country-of-origin may not indicate the product's manufacturing country. COO in this study indicates the brand-of-origin.

created by such variables as representative products, national characteristics, economic and political background, history, and traditions. Martin & Eroglu (1993) define country image as the total of all descriptive, inferential and informational beliefs one has about a particular country. Therefore, in order to operationalize the definition, it is necessary to determine the relevant underlying dimensions of this construct, namely, the construct's domain are political, economic, technological, and social desirability. Based on Bilkey & Nes (1982), Han (1989) defines country image as consumers' general perceptions of quality for products made in a given country. Roth & Romeo (1992) further identify country image as a consumers' overall perception for products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses. Therefore, four dimensions of country image become apparent: innovativeness, design, prestige, and workmanship. In sum, the definitions of COO or country image could be divided into two categories: the 'overall' image of a country and the 'specific' image for a particular product from a given country. This study adopts the viewpoints of Han (1989) and Roth & Romeo and defines the COO as consumers' image on a 'particular' product from a given country.

In addition to the discussions on COO definition, the literature has also examined COO effects on consumer purchase intentions across culture or in different demographics, e.g., age (Dornoff, Tankersley & White, 1974; Han, 1988; Hutchens, 1989; Wall and Heslop, 1986), gender (Schooler, 1971; Festervand, Lumpkin and Lundstrom, 1985; Wall, Hofstra and Heslop, 1989), education (Dornoff, Tankersley & White, 1974; Festervand, Lumpkin and Lundstrom, 1985), income, (Hutchens, 1989; Wall and Heslop, 1986), race (Schooler, 1971), geography (LaTour and Henthorne, 1990), nations and consumer patriotism (Nagashima, 1970; Shimp and Sharma, 1987; Han, 1988). For example, Schooler (1971) finds that female consumers give higher evaluations on foreign products than male consumers. Wall, Hofstra and Heslop (1989) find that consumers' education levels could influence their evaluations on product qualities and in turn influence their purchase intention. Johansson, Douglas and Nonaka (1985) argue that consumers with different national backgrounds may give different

evaluation on foreign products. Finally, Hong & Yi (1992) also find that consumers' national background do influence the COO effect on the evaluation of foreign products. They show that Korean consumers have higher negative attitude toward foreign products than American consumers.

Based on the preceding discussions, we can infer that COO does influence consumers' evaluations on foreign products. In other words, COO is an important cue when consumers evaluate the quality of foreign products. According to Bilkey & Nes (1982), COO will influence consumer's perceived quality on foreign products. Also, Berkman & Gilson (1986) state an attitude is an enduring organization of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of our environment. If a consumer has more positive attitude toward the product, then he will have a higher purchase intention on the product. Also, Han (1990) indicates that the more positive COO image on a certain country, the more positive attitude a consumer has toward the products from the country. Li & Dant (1997) also assume that a consumer will take COO as an information cue to assess the product quality from different countries and this information cue will in turn influence the consumer's purchase intention. C&C products are created by artists and with particular original and unique properties. Therefore, a C&C industry is the economic activities based on culture and art, which is an experience and a valuable product (Shah, 2002). Thus, the following hypothesis is proposed:

H₁: COO has a positive impact on consumers' attitudes toward C&C products. Furthermore, consumers' attitudes toward C&C products have a positive impact on their purchase intentions. In other words, consumers' attitudes have mediating effects.

Moreover, as mentioned earlier, a peripheral C&C product is an extension of the core product. However, little research has been dealt with the relationship between a peripheral C&C product and a core C&C product. Previous studies have shown that consumer attitude toward a parent brand has a positive impact on the purchase intention of its extending brand (Aaker & Keller, 1990; Keller, 2003). For example, the prevailing of Korean or Japanese TV dramas (a core C&C

product) in other Asian countries has created a 'Korean wave' or a 'Japanese wave' which has promoted the tourist industry (a peripheral C&C product) in the two countries. Based on this property, we propose the following hypothesis:

H₂: Consumer attitude toward a country's C&C product has a significantly positive effect on his purchase intention on the peripheral C&C product.

Han (1990) indicates that country image is more likely to influence consumers' attitudes towards a brand when Consumers are not familiar with the country's products than when they are. Pecotich & Rosenthal (2001) also point out that consumers may have negative attitudes toward a country's products when they are not familiar with the country. For C&C products, if consumers are familiar with a country, they are likely to be familiar with the implication or idea of the C&C product from the country and therefore, have positive consumers' attitudes toward the C&C product from the country. Consequently, we propose the following hypothesis:

H₃: Country familiarity has intervening effect. In other words, the positive effect of COO effect on consumers' attitudes toward the C&C product is higher when consumers' country familiarities increase.

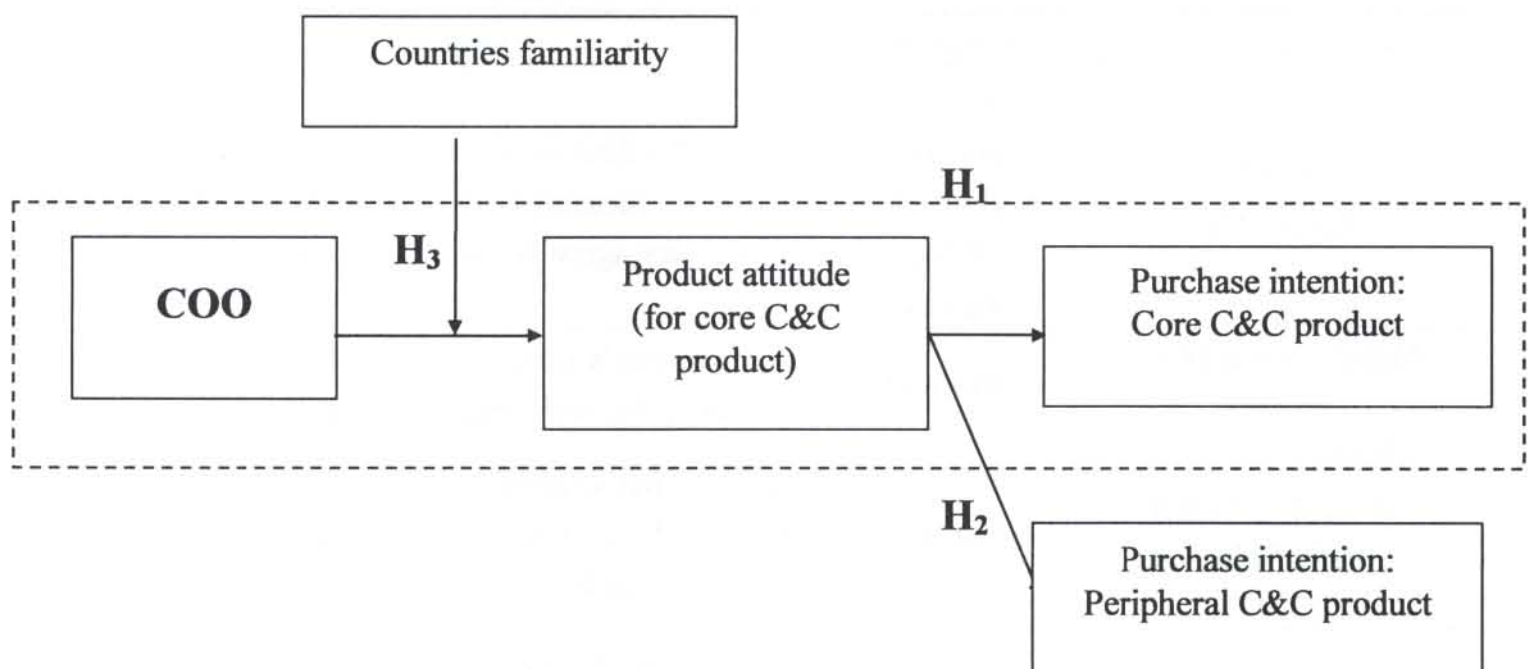
Finally, Han (1990) also indicates that a consumer may infer the quality of a product category from a given country from their perceived quality of other categories or products in general from the country. That is, there exists a strong association effect between images of different product categories. For example, consumer may perceive that Japanese products in general are technologically advanced because Japanese consumer electronics or automobile are technologically advanced. There is no research uses this concept on examining C&C product categories, vice versa. This statement leads to the following hypothesis:

H₄: Consumers tend to infer the quality of a product from a given country from their perceived quality of other products from the country in general.

A conceptual framework is shown in Figure1 which includes three

dimensions: 'COO', consumers' attitudes toward the C&C products, purchase intentions of the core and peripheral products. Moreover, country familiarity plays as an intervening variable.

Figure 1
The Hypothesized Model of This Study



3. Methodology

3.1 Variables Definition and Measurements

According to Figure 1, the model includes COO, attitude toward C&C product, purchase intention on the core and peripheral products. The variable's assessments and measurements are shown in Table 1.

Countries and Products

The following countries will be considered in this study: USA, Japan, Taiwan, and Korea. These countries are selected for two reasons. First,

Taiwanese are more familiar with the culture of these countries. Second, the level of a foreign country's economic development may play an important role when consumers evaluate the product from this country. To this end, this study purposely selects two developed countries (USA and Japan) and two newly developed countries (Taiwan and Korea) as the target counties.

Table 1
Variables Definitions and Measurement

| dimensions/references | variables | measurement |
|---|---------------|--|
| COO/ Han (1990) | Tech. advance | The COO dimension is assessed with five measures, which is measured on a seven-point scale ranging from 'very agree' to 'strongly disagree'. |
| | prestige | |
| | workmanship | |
| | Price | |
| | service | |
| Attitude toward C&C product/ Han (1990), Sheth, Mittal & Newman (1999), Solomon (2007) | affective | A consumer's rating of a product is measured on a seven-point scale anchored from 'good' to 'bad'. |
| | cognitive | A consumer's rating of a product's overall quality is measured on a seven point scale anchored from 'overall excellent quality' to 'overall poor quality'. |
| Consumer purchase intention/ Han (1990) | - | The subject's intention to purchase a given C&C products measured on a five point scale anchored from 'would definitely intent to buy' and 'would definitely not intend to buy'. |
| Country familiarity Roth & Romeo (1992) | - | A consumer's country familiarity for a give country is measured on a seven point scale anchored from 'very familiar' to 'very unfamiliar'. |

Source: Collected by the author for this study.

Next, TV drama and craft are selected as the core C&C products and truism is selected as the peripheral C&C product. These C&C products are selected because: (1) Japanese and Korean TV dramas have been popular in Taiwan recently; (2) according to a report published by CEPD entitled "Challenging 2008: country development and planning (2002-2007)", CEPD selects craft as a priority industry for country development. Therefore, the craft industry becomes important in the new century (See *cultural white paper*, p.171-176 · 2004, Council

for Cultural Affairs, Taiwan); (3) The Korean wave and Japanese wave in Taiwan resulted from the TV dramas from the two countries have boosted the truism industries in Korea and Japan. In the pre-test conducted by this study, 50 persons were asked to answer the following open-ended question: 'Please select two industries or activities that are promoted by the TV drama or craft? Truism turns out to be the one which is mentioned most frequently. For this reason, truism is set to be the peripheral product.

3.2 Reliability and Validity

The Cronbach's α coefficients of each dimension are large than 0.74, indicating a reasonable degree of reliability for the construct. In evaluating the validity, the construct validity tested by KMO is 0.9 for COO dimension and 0.79 for attitude dimension. They are also significant, which imply our questionnaire has good construct validity.

4. Analysis and Results

4.1 Preliminary Data Analysis

This study uses quota sampling technique⁵. Out of the total sample of 500, 302 questionnaires were returned, yielding a response rate of 60.4%. After deleting incomplete questionnaires, 275 (or 55 %) questionnaires are deemed usable. The respondents include 36.7% male; 61.5% aged under the category of 20-24; 56.7% have college or higher education; 73.45% respondents inhabited in

⁴ The reliability for each dimension is as follows: (1) TV drama' s COO dimension: USA is 0.8343, Japan is 0.8699, Taiwan is 0.9156, Korea is 0.9153; (2) consumers' attitudes toward the C&C products: USA is 0.7241, Japan is 0.7227, Taiwan is 0.7801, and Korea is 0.7183 (3) Craft's COO dimension: USA is 0.8953, Japan is 0.9004, Taiwan is 0.8958, and Korea is 0.9326; (4) consumers' attitudes toward the C&C products: USA is 0.7102, Japan is 0.7276, Taiwan is 0.7012, and Korea is 0.7824.

⁵ According to Taiwan's DGBAS (Directorate General of Budget, Accounting and Statistics, Executive Yuan) definition, this study divides the population in Taiwan into three major areas. The north area including Taipei, Tauoyuan, I-lan, Hsin-tsu, and Keelung has about 45% of the population. The south area which includes Miao-li, Taichung, Chang-hua, Nan-tou, Yuan-lin, Taitung, Hua-lien has about 28% of the population. The rest area has about 27% of the population.

Taipei area, 13.45% in Kaohsiung area and 13.10% in other areas.

Table 2 shows the average scores of COO, attitude, and purchase intentions. For TV drama, Japanese TV drama has the highest average score (5.45) in the COO dimension and Taiwan has the lowest score (4.08). It indicates that respondents regard Japanese TV drama has created the best COO image. For craft, Japanese craft also receives the highest score (5.66) and Korean craft has the lowest score (4.54). With respect to the purchase intention dimension, respondents have the highest intention in watching Japanese TV drama (3.68) and have the lowest intention in watching Taiwanese TV drama (2.59). For product familiarity, respondents have significantly higher product familiarity in TV drama than in

Table 2

Average Perceived Values of Country Images for TV Drama and Craft

| Source country | | TV drama | | | | Craft | | | |
|--------------------|---------------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| dimensions | Variables | USA | Japan | Taiwan | Korea | USA | Japan | Taiwan | Korea |
| COO | Tech. advanced | 5.27 | 5.61 | 4.29 | 5.17 | 4.93 | 5.87 | 5.20 | 4.70 |
| | Prestige | 5.58 | 5.78 | 4.29 | 5.44 | 4.96 | 5.86 | 5.23 | 4.70 |
| | Workmanship | 5.23 | 5.75 | 4.05 | 5.15 | 4.92 | 5.9 | 5.17 | 4.61 |
| | Price | 5.07 | 5.38 | 3.95 | 4.88 | 4.79 | 5.43 | 4.87 | 4.39 |
| | Service | 4.27 | 4.73 | 3.84 | 4.55 | 4.71 | 5.22 | 4.52 | 4.29 |
| | Average | 5.08 | 5.45 | 4.08 | 5.04 | 4.86 | 5.66 | 4.99 | 4.54 |
| Attitude | Overall quality | 5.15 | 5.71 | 4.31 | 4.87 | 4.84 | 5.83 | 5.01 | 4.61 |
| | Overall evaluation | 4.75 | 5.39 | 4.37 | 4.69 | 4.43 | 5.43 | 4.84 | 4.25 |
| | Average | 4.95 | 5.55 | 4.34 | 4.78 | 4.64 | 5.63 | 4.92 | 4.43 |
| Purchase intention | Core C&C product | 3.25 | 3.68 | 2.59 | 3.09 | 3.24 | 3.90 | 3.49 | 3.04 |
| | | Peripheral C&C product | | | | | | | |
| | Country | USA | | Japan | | Taiwan | | Korea | |
| | Tourism | 4.17 | | 4.37 | | 3.89 | | 3.76 | |
| Familiarity | Country familiarity | 3.96 | | 4.35 | | 5.76 | | 3.60 | |
| | Product familiarity | | | 4.88 | | | | 3.88 | |

craft (T -value=12.208 $p<0.01$). In terms of country familiarity, respondents regard Taiwan as the most familiar country and Korea as the least familiar country (F -value =150.548 , $p<0.001$). The order of these variables is shown in Table 3.

Table 3
Rankings of Consumers' Attitudes Toward the C&C products

| Product COO | TV drama | | | | Craft | | | |
|--|------------------|-----|-------|--------|------------|--------|-------|-------|
| | High → Low | | | | High → Low | | | |
| Attitude toward core C&C products | Japan | USA | Korea | Taiwan | Japan | Taiwan | USA | Korea |
| Purchase intention in C&C products | Japan | USA | Korea | Taiwan | Japan | Taiwan | USA | Korea |
| Purchase intention on peripheral C&C product | Tourism industry | | | | | | | |
| | Japan | | Korea | | Taiwan | | Korea | |

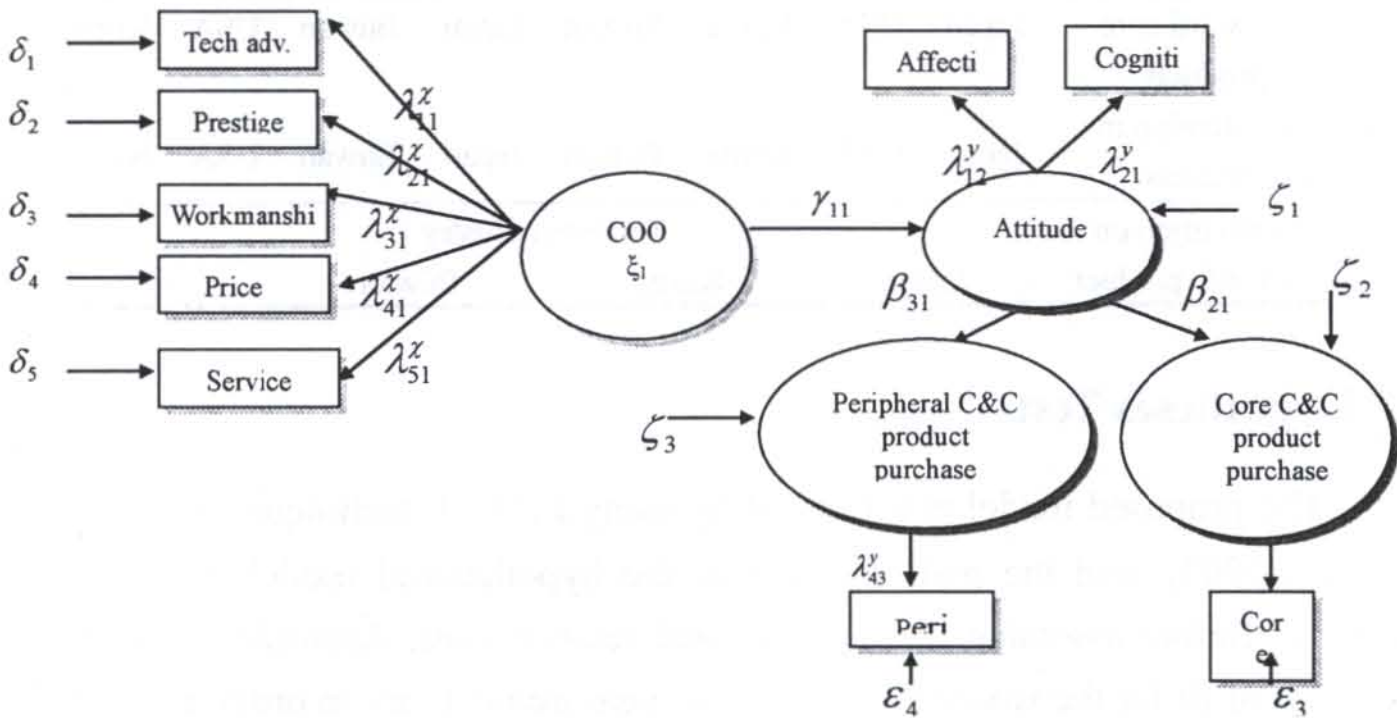
4.2 Hypotheses Tests

The proposed model is estimated by using LISREL technique (Jöreskog & Sörbom, 2003), and the path diagram of the hypothesized model is shown in Figure 2. Before assessing the hypothesized relationships, discussions about the goodness of fit for the whole model and the measurements are in order. First of all, the goodness of fit for the whole model appears to be good across countries and products. Table 4 shows GFI, NNFI, and NFI are greater than 0.9; χ^2/df is also greater than or equal to 2. In addition, according to McDonald and Ho (2002) that a structural model is good fit if the RMSEA value is less than 0.05, but it is still acceptable if RMSEA value is less than 0.08. The RMSEA values of the hypothesized model across four countries and the product categories are smaller than 0.08. Hence, the linear structural models are acceptable.

In the hypotheses testing, H_1 tests the COO effect on consumers' attitudes toward the C&C products and consumers' attitude on the purchase of the C&C products. Table 4 shows that COO has a significant effect (γ_{11} and β_{21} are significant at 0.01 level) on the attitude toward the products across the four countries. It indicates that COO has a directly positive effect on consumers'

attitudes toward the C&C products and has an indirectly effect on the purchase intention. In other words, consumer attitude has a significant mediating effect. It implies that hypothesis H₁ may be not rejected.

Figure 2
Path Diagram of the Hypothesized Model



H₂ examines the effect of consumers' attitudes toward the core product on the purchase intention of the peripheral product. Table 4 indicates that β_{31} is significantly positive. The finding suggests that the more positive attitude toward the core product the higher is the purchase intention of the peripheral product⁶.

⁶ In addition, this study also conducts a rival model test. An additional path is added into the hypothesized model, i.e. γ_{31} , the COO effect on purchase intention of the peripheral product. If the rival model is better than the baseline model, the χ^2_{df} value will be improved (Jöreskog and Sörbom 2003). This study is a 4×2 mode (four countries by two product categories). Therefore, there are eight rival models. According to the assessment, all the χ^2 values are not improved. It indicates that the baseline models are better than the rival models. The relative χ^2 values are as follows. For TV drama: (1) USA: $\chi^2_{(24)}=48.07, p<0.001$ vs. $\chi^2_{(23)}=47.09, \chi^2_d(1)=0.9802$,

Table 4
Goodness-of-Fits of Measures and Structural Coefficients

| (Completely standardized solution) | | | | | |
|------------------------------------|---------------|-----------|-----------|-----------|------------|
| TV drama | | | | | |
| Country | | USA | Japan | Taiwan | Korea |
| Structural coefficients | γ_{11} | 0.7431*** | 0.8049*** | 0.8041*** | 0.8192*** |
| | β_{21} | 0.6120*** | 0.5616*** | 0.6582*** | 0.6272*** |
| | β_{31} | 0.4374*** | 0.4847*** | 0.3176*** | 0.3495*** |
| Goodness of fit | GFI | 0.9652 | 0.9569 | 0.9561 | 0.9568 |
| | AGFI | 0.9326 | 0.9224 | 0.9241 | 0.9075 |
| | NFI | 0.9684 | 0.9752 | 0.9802 | 0.9816 |
| | NNFI | 0.9765 | 0.9798 | 0.9855 | 0.9809 |
| | RMSEA | 0.05793 | 0.06674 | 0.06551 | 0.0560 |
| | χ^2/df | 48.07/24 | 56.14/25 | 54.27/26 | 38.78/21 |
| Craft | | | | | |
| Country | | USA | Japan | Taiwan | Korea |
| Structural coefficients | γ_{11} | 0.6478*** | 0.7077*** | 0.6799*** | 0.8290*** |
| | β_{21} | 0.6330*** | 0.5957*** | 0.4645*** | 0.57147*** |
| | β_{31} | 0.4016*** | 0.5405*** | 0.4268*** | 0.4307*** |
| Goodness of fit | GFI | 0.9528 | 0.9508 | 0.9571 | 0.9702 |
| | AGFI | 0.9184 | 0.9148 | 0.9094 | 0.9442 |
| | NFI | 0.9661 | 0.9722 | 0.9688 | 0.9877 |
| | NNFI | 0.9721 | 0.9765 | 0.9705 | 0.9929 |
| | RMSEA | 0.07014 | 0.07288 | 0.07662 | 0.04588 |
| | χ^2/df | 62.63/26 | 65.14/26 | 63.21/24 | 38.69/21 |

$p > 0.3222$; (2) Japan: $\chi^2_{(25)} = 56.14$, $p < 0.001$ vs. $\chi^2_{(24)} = 55.44$, $\chi^2_d(1) = 0.3834$, $p > 0.5358$; (3) Taiwan: $\chi^2_{(26)} = 54.27$, $p < 0.001$ vs. $\chi^2_{(25)} = 52.54$, $\chi^2_d(1) = 4.0319$, $p < 0.0446$ (p -value is significant, however the negative sign of γ_{31} is invalid); (4) Korea: $\chi^2_{(21)} = 38.78$, $p < 0.001$ vs. $\chi^2_{(20)} = 32.39$, $\chi^2_d(1) = 0.3229$, $p > 0.5699$. For Craft: (1) USA: $\chi^2_{(26)} = 62.63$, $p < 0.001$ vs. $\chi^2_{(24)} = 53.45$, $\chi^2_d(1) = 7.5882$, $p < 0.0059$ (p -value is significant, however the negative sign of $\gamma_{31} = -0.2826$ is invalid); (2) Japan: $\chi^2_{(26)} = 65.14$, $p < 0.001$ vs. $\chi^2_{(25)} = 63.55$, $\chi^2_d(1) = 0.2915$, $p > 0.5892$; (3) Taiwan: $\chi^2_{(26)} = 54.27$, $p < 0.001$ vs. $\chi^2_{(25)} = 62.64$, $\chi^2_d(1) = 0.0321$, $p > 0.8579$; (4) Korea: $\chi^2_{(21)} = 38.69$, $p < 0.001$ vs. $\chi^2_{(20)} = 37.06$, $\chi^2_d(1) = 0.7818$, $p > 0.3766$.

Note : ***indicates significant at 1% level. Consequently, hypothesis 2 may not be rejected.

Moreover, it is interesting to note that β_{21} value is greater than β_{31} across the four countries and the two product categories. It indicates that consumers' attitudes toward the core C&C product have positive influences on purchase intentions for both the core and the peripheral C&C products. However, this effect is stronger on the former than the latter. Furthermore, if we observe from the 'total effect' of COO on purchase intention, we could find that the total effect of COO on watching TV drama (a core product) is greater than COO on purchasing a tourism product (a peripheral product)⁷; and the total effect of COO on purchasing is also greater on craft than on tourism⁸. Therefore, we conclude that the COO effect on the purchase of the core C&C products is greater than that on the peripheral product.

H₃ tests the intervening effect of country familiarity. The hypothesized model is shown in Figure 3. If H₃ is supported, then 'country familiarity' should have significantly positive impacts on 'COO' and 'attitude'. Besides, COO should also have a significantly positive effect on attitude. In other words, coefficients κ_{11} , κ_{21} , ρ_{21} should all be significantly positive (Chu, 2005). As shown in Table 4, the goodness-of-fit for the whole model is good across the countries and the products. GFI values are greater than 0.9 and the other indices are also in the acceptable levels. The coefficients κ_{11} , κ_{21} and ρ_{21} are all significantly positive across the four countries and the two products. It indicates that the COO effect on consumers' attitudes toward the C&C product is stronger if consumers are more familiar with the country. One exception is for the case of Taiwan as κ_{11} is negative. It may be due to the fact that the respondents are Taiwanese. They are more familiar with Taiwan and are more likely to have a negative image on

⁷ The total effects of COO on TV drama (core) vs. COO on tourism (peripheral) are: (1) USA is 0.5737>0.3287; (2) Japan is 0.4520>0.3901; (3) Taiwan is 0.5293>0.2554; (4) Korea is 0.5138>0.2863.

⁸ The total effects of COO craft (core) vs. COO on tourism (peripheral) are: (1) USA is 0.4100>0.2602; (2) Japan is 0.4215>0.3825; (3) Taiwan is 0.3185>0.2902; (4) Korea is 0.4737>0.3347.

Taiwan. The effect should further be examined. Nevertheless, H₃ is partially supported.

Table 5
The COO Effect on Attitude with Country Familiarity as
An Intervening Variable

| (Completely standardized solution) | | | | | |
|------------------------------------|---------------|-----------|-----------|-----------|-----------|
| TV drama | | | | | |
| | Country | USA | Japan | Taiwan | Korea |
| Structural coefficients | κ_{11} | 0.1423*** | 0.3279*** | -0.0178 | 0.2699*** |
| | κ_{21} | 0.2344*** | 0.3746*** | 0.0497 | 0.2032*** |
| | ρ_{21} | 0.7608*** | 0.5311*** | 0.8392*** | 0.8122*** |
| Goodness of fit | GFI | 0.9522 | 0.9670 | 0.9730 | 0.9672 |
| | AGFI | 0.8988 | 0.9301 | 0.9429 | 0.9262 |
| | NFI | 0.9586 | 0.9807 | 0.9858n | 0.9849 |
| | NNFI | 0.9514 | 0.9827 | 0.9889 | 0.9851 |
| | RMSEA | 0.0903 | 0.0662 | 0.0536 | 0.0695 |
| | χ^2/df | 56.33/17 | 36.63 /17 | 32.08/17 | 36.03/16 |
| Craft | | | | | |
| | country | USA | Japan | Taiwan | Korea |
| Structural coefficients | κ_{11} | 0.1346*** | 0.2927*** | 0.0453 | 0.4073*** |
| | κ_{21} | 0.2844*** | 0.2494*** | 0.1142 | 0.1105*** |
| | ρ_{21} | 0.7386*** | 0.6303*** | 0.7491*** | 0.8067*** |
| Goodness of fit | GFI | 0.9733 | 0.9575 | 0.9672 | 0.9677 |
| | AGFI | 0.9435 | 0.9150 | 0.9156 | 0.9317 |
| | NFI | 0.9803 | 0.9747 | 0.9783 | 0.9868 |
| | NNFI | 0.9850 | 0.9745 | 0.9723 | 0.9880 |
| | RMSEA | 0.0530 | 0.0788 | 0.0777 | 0.0648 |
| | χ^2/df | 31.17/17 | 49.87/18 | 37.75/14 | 37.57/17 |

Note : ***indicates the variable is significant at 1% level.

H₄ examines the association effect between different product categories. Namely, does a consumer infer the quality of an unfamiliar product category from

the average quality of other familiar products? Figure 4 shows the hypothesized model. If the path coefficient (ϕ_{12}) between latent exogenous variables (ξ_1 , ξ_2) is significant, then the association effect exists.

Figure 3

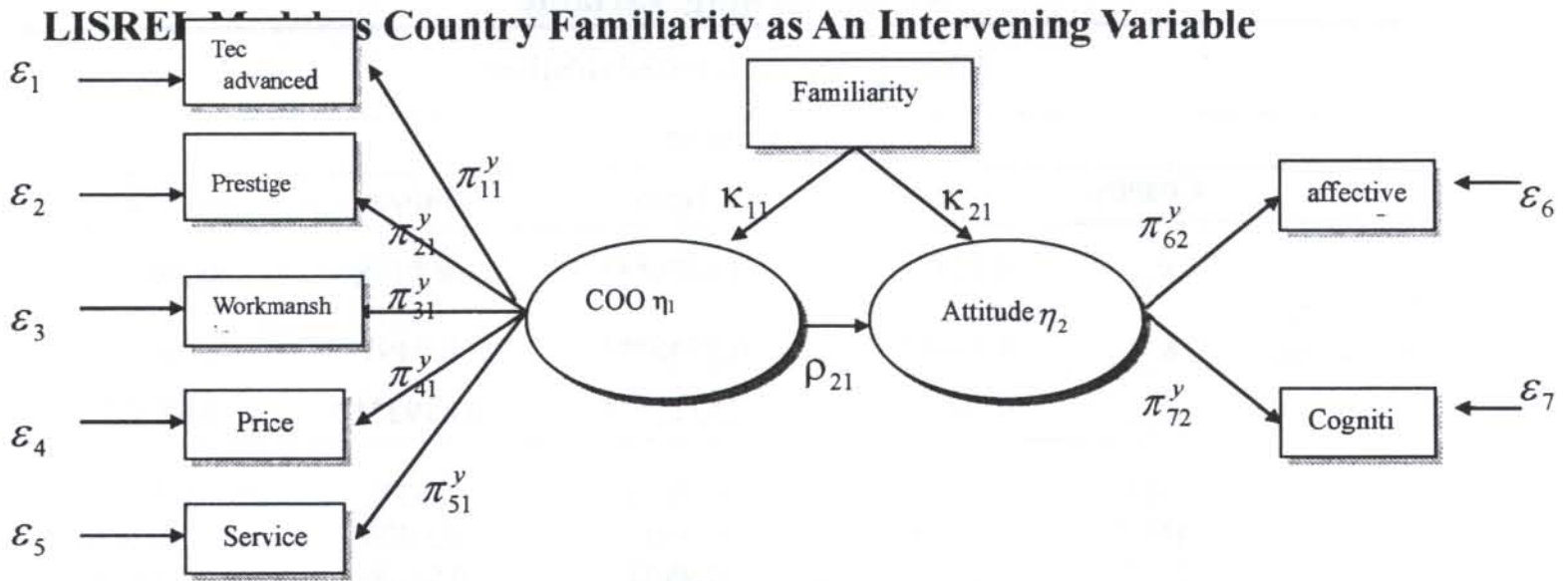
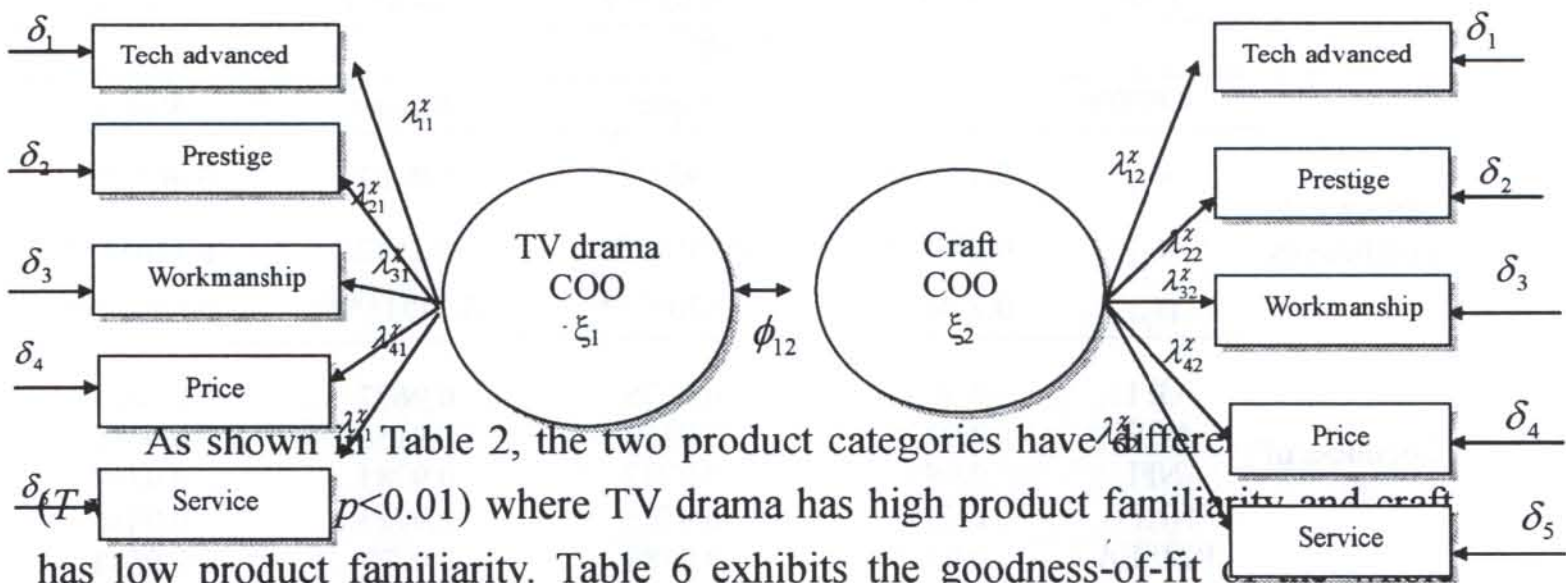


Figure 4

LISREL Model: the Association Effect



As shown in Table 2, the two product categories have different product familiarity ($p < 0.01$) where TV drama has high product familiarity and craft has low product familiarity. Table 6 exhibits the goodness-of-fit of the model is quite good and the path coefficient ϕ_{12} is significantly positive across the four countries. It indicates that the association effect exists. Consequently, H_4 may not be rejected. This finding is consistent with that of Han (1990). He concludes that consumers tend to infer the quality of an unfamiliar product from the perceived quality of other familiar products from the same country.

Moreover, this study utilities an intangible product (i.e., TV drama) to infer a physical product (i.e., craft). It implies that an intangible product could be used to infer a physical product. However, only two product categories are used in the study, and the generality of inference should be further verified.

5. Discussions and Conclusions

This study aims at the analysis of country of origin effect on consumers' purchase intention for cultural and creative products. By examining the hypothesized role of country image in consumer choice behavior, we have established four specific hypotheses about country image and its impact on consumers' purchase intention of C&C product are developed. A four-countries (i.e., USA, Japan, Taiwan, and Korea) and two-product-category (TV drama and craft) mode is used to test the hypotheses. By using the LISREL technique, we have reached the following findings. First, COO has a positive impact on consumers' attitude toward the C&C product for a given country. This attitude will in turn influence the purchase intention of the C&C product. This result is consistent with that of Han (1990). Second, similar to the concept of brand extension that a consumer's attitude toward a parent brand may have a positive impact on the purchase of its extending brand. The empirical result of this study shows that consumer's attitude toward the core C&C product (i.e., the parent brand) will have a positive influence on the purchase of the peripheral C&C product (i.e., the extending brand). However, the total effect of COO on purchase intention for the core product is greater than that for the peripheral product. Third, country familiarity has an intervening effect between COO and consumer attitude toward the C&C product. Except for the Taiwan's case, COO is more likely to influence a consumer's attitude toward the product if the consumer is more familiar with the country. A consumer may have a positive attitude toward a C&C product from a given country if he or she is more familiar with the culture of the country. The empirical result also finds that there exists an association effect. Similar to Han (1990), it is also found in the study that consumers tend to infer the quality of unfamiliar product categories from familiarity product categories.

Table 6

Goodness-Of-Fits of Measures and Structural Coefficients: Association Effect

| | | (Completely standardized solution) | | | |
|-------------------------|-------------|------------------------------------|-----------|-----------|-----------|
| | | Country | | | |
| | | USA | Japan | Taiwan | Korea |
| Structural coefficients | ϕ_{12} | 0.4762*** | 0.6221*** | 0.3656*** | 0.6382*** |
| Goodness-of-fit | GFI | 0.9454 | 0.9490 | 0.9442 | 0.9509 |
| | AGFI | 0.9031 | 0.9066 | 0.9010 | 0.9129 |
| | NFI | 0.9683 | 0.9773 | 0.9727 | 0.9789 |
| | NNFI | 0.9709 | 0.9789 | 0.9751 | 0.9823 |
| | RMSEA | 0.07526 | 0.0728 | 0.07670 | 0.06983 |
| | χ^2/df | 81.79/31 | 77.21/30 | 81.46/31 | 71.83/31 |

Note : ***indicates the variables are significant at 1% level.

Moreover, this study has used a cultural creative product as the target product and compared the finding with Han's finding on TV set. It is also indicated that a consumer may use an intangible product to infer the quality of a physical product.

In accordance with the above conclusions, a variety of management implications for business and government are possible.

(1) *For business management*

First, as COO has a positive influence on consumer purchase intention of the C&C products, importers, if importing the products from a country with a good country image, may use COO to promote the products. In contrast, if marketers import products from a country with a poor country image, they may should avoid taking COO as a marketing strategy to promote the products or brands. For instance, this empirical study has shown that consumers in Taiwan have the best country image on Japan. Therefore, marketers when importing Japanese C&C products or brands may leverage consumers' good image on Japanese culture to attract consumers to buy their products. Moreover, for Taiwan's exporters, as the country image of Taiwan is lower than those of some developed countries such as USA and Japan, they may form a strategic alliance with foreign brands or retailing stores to alleviate the negative country image. Moreover, manufacturers could use a stage strategy. In other words, they could do OEM first in order to gain the opportunities of reaching foreign markets and then

build their own brand (e.g., Franz).

Second, since consumers' attitudes toward the core product will influence the purchase intentions of the peripheral product, marketers of the two industries could make a strategic alliance to promote their products cooperatively. For example, a TV drama or a craft design could cooperate with a tourism industry. Taiwan's Pili drama company could cooperate with a travel company to design a tour package to visit Pili's shooting field at Huwei town. Similarly, a craft company could also cooperate with a travel company to design a tour package to visit the factories of Franz or Liu-Li Gong Fang or to DIY on ceramic production.

Third, consumers tend to infer the quality of an unfamiliar product from familiar products. Consequently, marketers could use placement marketing to introduce craft & design in TV drama series or to provide the tourism farming for TV drama to do a movie. This will give consumers a good impression on the craft design or the tourism farming and in turn encourage them to purchase the products.

(2) For the government

If a county's image deems to be good for foreigners, COO could be used as a promotional tool in an international market. On the contrary, if the country image is not good, then the marketing strategy should be focused on introducing the good attributes of the product so as to avoid consumers taking COO as an information cue while evaluating the product. Taiwan's government has introduced the 'Taiwan Excellence' concept to promote and brand Taiwan's image. However, it takes a long-term planning to build or improve a country's image. Therefore, Taiwan's government needs to integrate sources from public and private sectors to improve its product quality and innovation. In so doing, the country image of Taiwan could be improved gradually.

(3) Limitations and further research

This study does have its shortcomings in research design, which may limit the generalization of the findings. The drawbacks are as follows. First, the returns of questionnaire are mostly from northern Taiwan. Therefore, future research may control the sample distribution to make the empirical data more representative and credible. Moreover, data source in further research may come from different age

or occupation groups to find other dimensions of this topic. Second, only have a limited number of product types been examined in this study. Future study may examine high association C&C products and to further verify the hypotheses proposed by this study. Third, future study may also take other marketing variables into study, and compare the COO effects with these variables on consumer purchase intention on C&C products.

Appendixn

| Item | U.K. | Hong Kong | New Zealand | Korea | Taiwan |
|--------------------------------|-------------|------------------|--|-------------------------------|---------------|
| Advertising | ✓ | ✓ | ✓ | | ✓ |
| Architecture | ✓ | ✓ | ✓ | | ✓ |
| Art & antiques market | ✓ | ✓ | Visual arts (Art & antiques market) | | Visual arts |
| Crafts | ✓ | | Including in visual arts | | ✓ |
| Design | ✓ | ✓ | ✓ | | ✓ |
| Designers fashion | ✓ | ✓ | ✓ | | ✓ |
| Film & video | ✓ | Film | ✓ | Film | Film |
| Interactive leisure software | ✓ | Leisure software | (including software and information service) | Cartoons and electronic games | ✓ |
| Music | ✓ | ✓ | Music and performing arts | Phonorecord | ✓ |
| Performing arts | ✓ | ✓ | (including in music) | | ✓ |
| Publishing | ✓ | ✓ | ✓ | ✓ | ✓ |
| Software and computer services | ✓ | ✓ | ✓ | Cartoons | ✓ |

| | | | | | |
|----------------------|---|------------|---|---|---|
| Television and radio | ✓ | Television | ✓ | | ✓ |
| Caricature | | ✓ | | ✓ | |

Source: Council for Economic Planning and Development (2002) and conducted for this research.

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