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ABSTRACT. In this study, a theoretical framework is developed to explain the differential effects of country-of-manufacture (COM) and brand image on the cognitive, affective, and behavioral components of Koreans' consumer decision making. Although effects are product specific, findings, overall, indicate that brand image has a stronger effect than COM on Koreans' perceptions of hybrid global products. Moving the production of an electronic product (TV) to a developing country, however, negatively affected Koreans' evaluation of product performance, prestige (brand and technical), and purchase attitudes. The findings have interesting marketing implications for hybrid global brands and contribute to building a theory of COM.

KEYWORDS. Country-of-manufacture, brand image, quality, purchase attitudes, purchase intention, Korea

With unprecedented technical and communication advances over the past decade, firms are increasingly engaged in global market expansion and have been able to develop and expand global brands. A global brand is no longer exclusively associated with only the country in which it originated (country-of-origin [COO]), since firms have taken advantage of lower costs by moving their manufacturing or assembly locations to developing countries (Hamzaoui & Merunka, 2007). Accordingly, these activities have contributed to new country designations such as country of manufacture (COM), country of design (COD), country of brand (COB), or country of parts (COP), etc., which more effectively explain the growing complexities of COO. This phenomenon has brought about a new issue

related to brand management for these hybrid products¹—that is, whether the perceived quality of reputed global brands will be discounted by moving their production to developing countries.

The relative importance of brand image and the components of COO in consumers' decision making about these hybrid products is unclear. The existing COO literature indicates mixed results regarding this issue. In some studies, it is argued that brand name might be a less enduring cue than COO (Papadopoulos & Heslop, 1993; Tse & Gorn, 1993), and in other studies, brand name was found to be a more important predictor of perceived quality and purchase value than COO (Chao, 1989; Ulgado & Lee, 1993). Thus, more research is needed to inform the discussion of this issue.

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Many COO studies have focused on “overall quality” or “quality attributes” (e.g., the TV picture or sound) as a dependent variable (Ahmed & d’Astous, 1996; Cordell, 1992; Tse & Gorn, 1993). However, existing COO researchers found that the effect of COO is quality-dimension specific (Han & Terpstra, 1988), and COO studies of hybrid products where the relative importance of brand and COO was examined did not use a well-defined set of quality dimensions. Therefore, a determination of quality dimensions that could be used across product classes is needed to develop a theory.

Further, existing studies of hybrid products failed to provide a comprehensive view of the effect of COO on consumer decision making. That is, consumer behavior researchers argued that quality perception has not only a cognitive component but also an affective component, which represents individuals’ attitudes (Compeau, Grewal, & Monroe, 1998). Likewise, purchase intention is a function of cognitive and affective evaluations (Fishbein & Ajzen, 1975). However, studies of hybrid products have not paid attention to the affective component and purchase intention has been viewed as a function of a cognitive component (i.e., quality evaluation). Accordingly, a more comprehensive model of COO effect is needed.

To address the above problems, the focus of this paper is on hybrid global brands. This paper makes several contributions to the existing COO studies. First, a comprehensive model of the relative importance of brand image and COM for hybrid products is proposed. Structural equation models of product evaluation (cognitive component), product-specific attitudes (affective component), and purchase intention (behavioral component) were developed. Second, quality dimensions that could be used across different product categories are proposed. Finally, a non-student sample from South Korea is used. One of the concerns in COO research is the dominant use of student and Western samples (Okechuku & Onyemah, 1999). Thus, this study employs a sample from South Korea, which is a major U.S. export market.²

LITERATURE REVIEW

The Relative Importance of COM³ and Brand in Quality Perception

Major studies of hybrid products, which examined the relative importance of brand and COM, focused on the overall quality perception. Most of these studies measured quality by a single item (Ahmed, Johnson, Ling, Fang & Hui, 2002; Iyer & Kalita, 1997; Nes & Bilkey, 1993; Ulgado & Lee, 1993). These studies show no consistent pattern in the relative importance of brand and COM for hybrid products. For example, both the studies of Heslop, Liefeld, and Wall (1987) and Ulgado and Lee (1993) compared the effect of COM on product-quality evaluation in a single-cue versus a multiple-cue situation. These studies agree that the COM effect is greater in the single-cue situation and that the importance of the COM cue seems to decrease in the presence of price and brand cues. Heslop et al. (1987) found, however, no significant interaction between COM and brand, which means a negative country image might not be compensated for by the brand name. Ulgado and Lee (1993) found, however, that when other intrinsic information was presented, only brand had a significant effect on quality perception. These results suggest that a well-known brand name can overcome the negative COM effect when other product information is available.

There are a few studies that examined the relative importance of brand and COM on the multiple dimensions of quality (Han & Terpstra, 1988; Li & Dant, 1997). These studies show that the relative magnitude of brand-name effect and source-country effect varied across product dimensions. In Han and Terpstra’s (1988) study, dimensions were examined: technical advancement, prestige, workmanship, serviceability, economy, and overall quality. In general, both source country (COM) and brand name had significant effects on these quality dimensions, but serviceability and workmanship were found to be more sensitive to source country than to brand name. In the study of Li and Dant (1997), eight quality dimensions were analyzed: performance, serviceability, reliability, durability,

aesthetics, conformance, features, and image. The results indicated that seven of the eight quality dimensions were affected by COM; serviceability was the only exception. Brand was related only to performance, reliability, durability, and conformance.

CONCEPTUAL FRAMEWORK

Proposed Quality Dimensions Across Product Categories

The quality dimensions proposed in previous studies were found to be highly correlated (Roth & Romeo, 1992; Li & Dant, 1997). The current study proposes that the multicollinearity among the quality dimensions is due to the fact that the same evaluation mechanism (e.g., search or experience) is used to assess related quality dimensions. For example, high correlations between reliability and performance and between durability and performance as observed by Li and Dant (1997) might be due to the fact that consumers perceive and assess these quality dimensions through the same evaluation mechanism (experience with products). Thus, in the following section, the relevant quality dimensions from the COO literature are identified first; then, the quality dimensions for a broad spectrum of products are categorized based on the quality evaluation mechanisms associated with the products'

functional and symbolic aspects. These are discussed in detail below.

Quality Dimensions

The quality dimensions identified in the COO literature were based on the following criteria, which were adapted from Roth and Romeo (1992, p. 480). These dimensions are

1. Consistently found in previous research;
2. Related to perceptions of a country's production and marketing strengths and weaknesses;
3. Conceptually and operationally distinctive;
4. Applicable to a broad range of product categories;

Based on these criteria, the current study proposes five dimensions of quality, which include aesthetics, performance, serviceability, brand prestige, and technical prestige. The definitions of these dimensions and their equivalents in COO studies are indicated in Table 1.

Categorization of Quality Dimensions

Consumers may select a product based upon its symbolic (prestige) or functional aspects (Mittal, 1990; Sirgy, 1982). Accordingly, quality dimensions can be dichotomized on the basis of their symbolic and functional aspects. As indicated in Table 2, COO researchers frequently identify these two types of quality dimensions, although they do not explicitly distinguish

TABLE 1. Definitions of Quality Dimensions and Equivalent Dimensions in COO Studies

Quality Dimensions	Definitions	Equivalent Dimensions in COO Studies
Aesthetics	Style, fashion, colors, or varieties/features of a product	Design ^a
Performance	Excellence and dependability of the product's operating features	Workmanship or Performance ^b , Reliability or Durability ^c
Serviceability	Accessibility of service center and rapidity, courtesy, and competence of repair and/or maintenance service	Serviceability ^d
Brand Prestige	Prestigious image stimulated by brand name	Reputation ^e , Prestige ^f , Status ^g , Image ^h
Technical Prestige	Prestigious image stimulated by use of advanced/high-technology	Innovativeness or Technicality ⁱ

^aNagashima, 1970, 1977; Roth & Rome, 1992; ^bCattin, Jolibert, & Lohnes, 1982; Han & Terpstra, 1988; Roth & Romeo, 1992; Li & Dant, 1997; ^cCattin et al., 1982; Li & Dant, 1997; ^dHan & Terpstra, 1988; Li & Dant, 1997; ^eNagashima, 1970, 1977; ^fHan & Terpstra, 1988; Roth & Romeo, 1992; ^gJohansson & Nebenzahl, 1986; ^hLi & Dant, 1997; ⁱCattin et al., 1982; Johansson & Nebenzahl, 1984; Han & Terpstra, 1988; Roth & Romeo, 1992.

TABLE 2. Definitions of Quality Evaluation Mechanisms and Corresponding Quality Dimensions

Quality Evaluation Mechanisms		Definitions	Quality Dimensions
Functional Mechanisms	Search	Consumers' quality evaluation process activated prior to purchase.	Aesthetics
	Experience	Consumers' quality evaluation process activated after purchase and use.	Performance, Serviceability
Symbolic Mechanism	Image	Consumers' quality evaluation process activated to assess the prestige of the image stimulated by brand name or use of advanced/high technology.	Brand Prestige, Technical Prestige

between them. Thus, the present study proposes that consumers perceive and evaluate the quality of a product in two ways: functionally and symbolically.

As indicated in Table 2, the functional aspects of quality are evaluated through the search and experience mechanisms, which is based on the logic of whether the attribute in question can be evaluated before purchasing the product or after purchasing and using it (Nelson, 1970, 1974; Thakor & Katsanis, 1997).

In the search mechanism, consumers evaluate quality dimensions that can be evaluated through information seeking and processing, without purchasing or using the item (Nelson, 1970, 1974; Thakor & Katsanis, 1997). The quality dimension assessed through this mechanism is aesthetics, because style, fashion, colors, or variety of a product can be examined before purchase.

In the experience mechanism, consumers evaluate quality dimensions that cannot be evaluated unless they purchase and use the item (Nelson, 1970, 1974; Thakor & Katsanis, 1997). That is, through the experience mechanism, consumers make inferences about quality based on intrinsic and extrinsic cues at the time they purchase a product, whereas in the search mechanism, they can make evaluations at the point of purchase. The quality dimensions evaluated through the experience mechanism are product performance and serviceability, since the excellence and dependability of a product's operating features as well as the accessibility and

competence of a service center can only be evaluated after experiencing the product or service.

Finally, the symbolic aspects of quality⁴ are evaluated through the image mechanism. Consumers attach symbolic meaning to products (Hoyer & MacInnis, 2007). Many COO researchers focused on the prestigious or upscale image of the product, which is stimulated by the brand name and further enhances the reputation of the product (Han & Terpstra, 1988; Johansson & Nebenzahl, 1986; Li & Dant, 1997; Nagashima, 1970, 1977; Roth & Romeo, 1992). Thus, the current study concentrates on the prestigious or upscale image of the product, although symbolic aspects of a product may be much broader. It also should be noted that brand image differs from brand prestige in that the former is an overall impression of the brand obtained by processing information from various sources over time (Anonymous, 1998). Brand prestige, however, reflects a highly regarded image stimulated by the brand name.

The current study proposes that the prestigious image of a product is also stimulated by using advanced/high technology. Previous studies of product innovation or technicality did not analyze the symbolic (prestigious) image associated with advanced/high-technology (Cattin et al., 1982; Han & Terpstra, 1988; Jaffe & Nebenzahl, 1984; Roth & Romeo, 1992). The current study, however, proposes that the previously used innovation or technology level needs to be interpreted as technical prestige since the use of

advanced/high technology conveys a prestigious image due to its impact on product quality. Thus, the quality dimensions evaluated through the image mechanism are brand prestige and technical prestige.

A Comprehensive Model of the Differential Effects of Brand Image and COM on Global Products

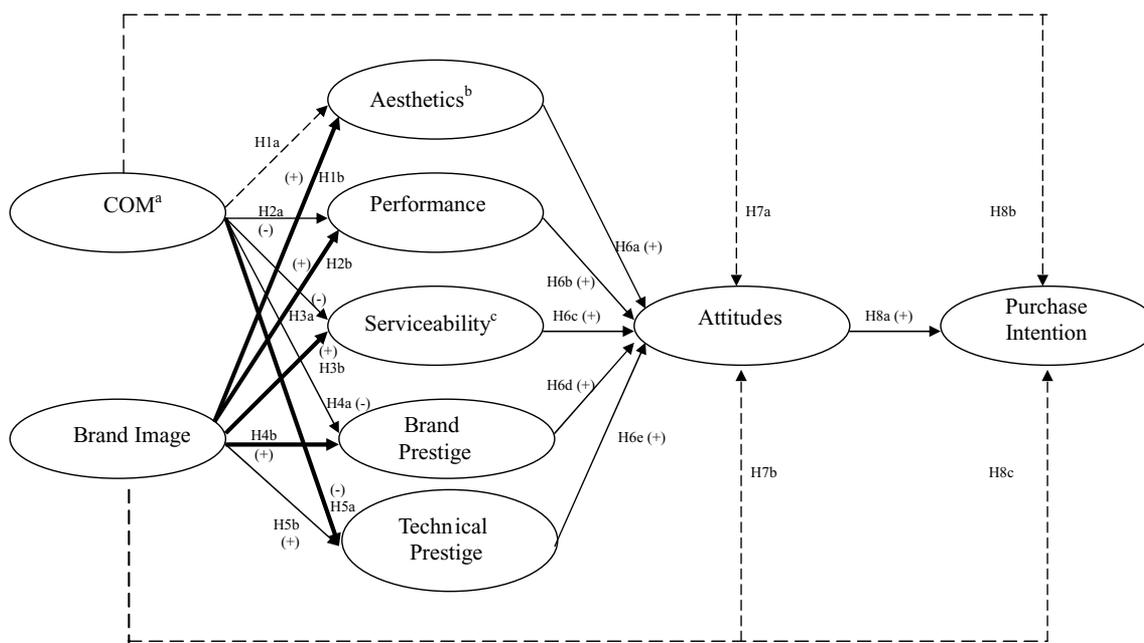
By adopting the Theory of Reasoned Action (Fishbein & Ajzen, 1975), a comprehensive model of the differential effect of brand image and COM is proposed for two different types of products, TVs, and sweaters (Figure 1). In our model, the quality evaluation mechanisms (search, experience, and image) are used as explanatory variables due to a statistical limitation of structural equation modeling (SEM).⁵ In the following section, each relationship in the proposed model is discussed.

The Relationships Among COM, Brand Image, and Quality Dimensions

COM, Brand Image, and Search Dimensions (Aesthetics)

Perceptions of product aesthetics are formed through information seeking and processing and can be easily assessed at the point of purchase. If consumers can assess quality first-hand, then they will rely less on other extrinsic cues, especially brand name and COM (Thakor & Katsanis, 1997). Therefore, COM would not be expected to affect the perception of the aesthetics dimension since consumers can assess style, fashion, or colors visually or manually by trying on a clothing product, for example. Specifically, consumers can assess the style, fashion, or colors of one of the products included in the study, a Ralph Lauren Polo sweater manufactured in a developing country, such as Mexico, by examining these qualities before purchasing and wearing it.

FIGURE 1. A Comprehensive Model of the Differential Effects of Brand Image and COM on Korean Consumers' Purchase Intention of Hybrid Products



--> No Effect -> Significant Effect -> Stronger effect between COM and brand image

^a Developing country is coded as 1 and developed country as 2.

^b Aesthetics is not examined for TVs. ^c Serviceability is not examined for sweaters.

In the context of global brands, however, brand image is expected to have some influence on consumers' quality perception (Thakor & Katsanis, 1997). The logic is based on the fact that through strict quality control, packaging, and advertising, a company with global brands intensively develops its brand image (Negley, 1999) and, thus, brand names become a signal of unobservable product quality (Rao, Qu, & Ruekert, 1999). Therefore, even though consumers can directly search some product dimensions, the brand image may influence their judgments of these dimensions. If consumers know that a product is designed by a company with a well-known brand, brand image becomes a salient attribute in the aesthetics evaluation, while COM has no effect.

Based on the above arguments, the following hypotheses are proposed:

H1a: COM will have no influence on the aesthetics dimension of a product.

H2b: Brand image will have a positive influence on the aesthetics dimension of a product.

COM, Brand Image, and Experience Dimensions (Performance and Serviceability)

Because the evaluation of the experience dimension, which includes performance and serviceability, is formed after the product has been purchased and used (Nelson, 1970; 1974; Thakor & Katsanis, 1997), consumers may infer the qualities of these dimensions based on extrinsic rather than intrinsic cues at the point of purchase. Thus, the effect of extrinsic cues such as COM and brand image may become more important in consumers' perceptions of the experience dimension rather than the search dimension.

Many previous COO studies found that a product manufactured in a developed country is rated higher in quality than one made in a developing country. (See Han & Terpstra, 1988; Liefeld, 1993; Samiee, 1994; Verlegh & Steenkamp, 1999, for comprehensive reviews.) For example, in the study of Han and Terpstra (1988), workmanship and serviceability evaluations of U.S.-brand/U.S.-made TVs and auto-

mobiles were higher than those that were U.S.-brand/Korean-made products. It is also well known that perceptions of brand image are positively related to product quality (Hoyer & MacInnis, 2007). The current study, however, further proposes that the image of well-known brands has a stronger effect on the perception of the functional dimension than does COM. As mentioned, this logic is based on the fact that a company invests in improving brand name recognition and in establishing a favorable brand image rather than in boosting the image of the country where the product is manufactured (Tse & Gorn, 1993). Country images associated with COM are formed in the consumers' mind through personal experience (e.g., study and travel), experience with a product from a specific country or knowledge regarding the country's political status and economic development, and such (Samiee, 1994). Thus, brand name provides a customer with more readily recognized information about a firm's product than does the COM. The following hypotheses are proposed for the experience dimensions (performance and serviceability):

H2a: COM will have a negative⁶ influence on the performance dimension of a product.

H2b: Brand image will have a positive influence on the performance dimension of a product.

H2c: Brand image will have a stronger effect on the performance dimension of a product than will COM.

H3a: COM will have a negative influence on the serviceability dimension of a product.

H3b: Brand image will have a positive influence on the serviceability dimension of a product.

H3c: Brand image will have a stronger effect on the serviceability dimension of a product than will COM.

COM, Brand Image, and Image Dimensions (Brand Prestige and Technical Prestige)

Consumers buy many products because of their prestigious image symbols (Eastman,

Goldsmith, & Flynn, 1999; Kirmani, Sood, & Bridges, 1999). The image dimensions represent the symbolic quality of the product, that is, the prestigious perception of the product resulting from the brand name or the use of advanced/high technology in manufacturing the product. As mentioned, consumers form the image of global brands in their mind based on various sources of information processed over time. If a consumer has a positive overall impression about the brand, the product is more likely to have a prestigious brand image. Thus, it is proposed that the brand image of a product is related positively to brand prestige.

The effect of COM on brand prestige, however, also is proposed to be significant as Ahmed and d' Astous (1996) found that the brand's quality image decreases if it is assembled in a less prestigious country. The current study, however, proposes that the effect of the brand image on the brand prestige dimension is greater than that of the effect of COM on brand prestige, since the brand name contributes more to the prestige of the brand image than does COM.

The present study also proposes that COM will have a significant influence on the perception of technical prestige. That is, if a product is manufactured in an advanced/high-tech country, it is assumed that this product has a prestigious image stimulated by using advanced/high technology. Johansson and Nebenzahl (1986) found that a product's status image (associated with pride of ownership and style) for passenger cars (Buick, Chevy, Honda, and Mazda) was diminished by moving production to low-wage countries (Mexico or the Philippines). Thus, it can be inferred that developed countries will be perceived as having more advanced/high technology products than developing countries, and products manufactured in developed countries will have more prestigious images than those made in developing countries.

Further, brand image is proposed to have a positive influence on the perception of technical prestige. This proposition is inferred from findings of studies that uncovered a significant interaction between brand and COM (Ulgado & Lee, 1993; Tse & Lee, 1993). That is, if the product has a favorable image boosted by a well-known brand name, the unfavorable technical

image associated with a less prestigious country could be overcome. The current study, however, proposes that the effect of COM on the technical prestige dimension is greater than that of the effect of brand image, since the technical prestige is determined by the use of advanced/high technology.

Based on these arguments, the following hypotheses are proposed:

H4a: COM will have a negative influence on the brand prestige dimension of a product.

H4b: Brand image will have a positive influence on the brand prestige dimension of a product.

H4c: Brand image will have a stronger effect on the brand prestige dimension of a product than will COM.

H5a: COM will have a negative influence on the technical prestige dimension of a product.

H5b: Brand image will have a positive influence on the technical prestige dimension of a product.

H5c: COM will have a stronger effect on the technical prestige dimension of a product than will brand image.

The Relationships Among COM, Brand, Quality Dimensions, and Purchase Attitudes

Quality Dimensions and Purchase Attitudes

Personal attitudes toward the behavior (the affective process) refer to whether the person is in favor of or against performing the behavior in question (Fishbein & Ajzen, 1975). Thus, attitude formation is the affective process in consumers' decision making. Studies that have examined the efficacy of this theory have confirmed the positive relationship between cognitive belief structure and attitudes (Lee & Green, 1991; Netemeyer & Bearden, 1992). Therefore, a direct relationship between each quality dimension and purchase attitudes is proposed as follows:

H6a: The aesthetics dimension of a product will have a positive influence on a consumer's purchase attitudes.

H6b: The performance dimension of a product will have a positive influence on a consumer's purchase attitudes.

H6c: The serviceability dimension of a product will have a positive influence on a consumer's purchase attitudes.

H6d: The brand prestige dimension of a product will have a positive influence on a consumer's purchase attitudes.

H6e: The technical prestige dimension of a product will have a positive influence on a consumer's purchase attitudes.

COM, Brand Image, and Purchase Attitudes

Although Obermiller and Spangenberg (1989) found that COO is less likely to trigger an affective process, that is, attitudes toward a behavior, other studies found that such an emotional reaction occurs when COO is the only cue provided (Bannister & Saunders, 1978; Reiersen, 1967). In fact, where multiple cues are provided, two studies, Erickson, Johansson, and Chao (1984) and Johansson, Douglas, and Nonaka (1985), reported no effect of COO (where the brand and manufacturing country are the same) on attitudes, although they found a significant effect of COO on beliefs. Thus, the COM of hybrid products appears to have no impact on consumers' attitudes.

Okechuku and Onyemah (1999), however, found that COM is more important than brand and other product attributes in Nigerian consumer preferences. Ahmed et al. (2002) also examined the COO effect on attitudes in a service industry, i.e., pleasure cruises. In their study, COO effects were found to be stronger than brand effects for attitude ratings. These findings, however, are spurious because they omitted the influence of cognitive belief on attitudes in the model. As Fishbein and Ajzen (1975) proposed, purchase attitudes are mainly determined by the cognitive belief structure (Lee & Green, 1991; Netemeyer & Bearden, 1992). As follows, when evaluating the impact of COM, brand image, and the quality dimensions together in the current at-

titude model, no influences of COM and brand image are proposed:

H7a: COM will have no influence on purchase attitudes.

H7b: Brand image will have no influence on purchase attitudes.

The Relationships Among COM, Brand, Purchase Attitudes, and Purchase Intention

Purchase Attitudes and Purchase Intention

A consumer's intention to buy a product is the ultimate dependent variable in the proposed model of this study. Fishbein and Ajzen (1975) define buying intention as "a special case of beliefs in which the object is always the person himself and the attribute is always a behavior" (p. 12). They propose that consumers' intention to purchase serves as a link between their attitudes toward products and their purchase or use of the products. Several researchers have confirmed the positive association between attitudes and intention in the Theory of Reasoned Action (Lee & Green, 1991; Netemeyer & Bearden, 1992). Therefore, a positive relationship between attitudes toward buying a product and intention to buy the product is proposed.

H8a: Purchase attitudes will have a positive influence on purchase intention.

COM, Brand Image, and Purchase Intention

The effects of COO and brand on purchase intention have been examined less frequently than their impact on quality perception. Past studies indicate that the effect of COO on purchase intention is limited (Ettenson, Wagner, & Gaeth, 1988). In the study of Wall, Liefeld, and Heslop (1991), the effects of COO and brand on intention to buy are also found to be weaker than their effects on quality perception. Further, the effects of COO and brand on purchase intention are product specific. Both COO and brand have significant effects on purchase intention for

shirts, but no influence for telephones and wallets. These studies, however, did not include attitudes as another antecedent of purchase intention as proposed by Fishbein and Ajzen (1975). Thus, the finding of a significant effect of COO and brand image on purchase intention is doubtful. Moreover, willingness to buy is found to be closely related to the value of the product. That is, the trade-off between perceived quality and the monetary sacrifice may be another important factor in determining purchase intention (Dodds, Monroe & Grewal, 1991). Therefore, the following hypotheses are proposed:

H8b: COM will have no influence on purchase intention.

H8c: Brand image will have no influence on purchase intention.

RESEARCH METHODS

Research Design

Focus group interviews were conducted with Korean students in the United States and others in Korea to explore the conceptual meaning and cultural context of the target concepts of the study. Salient product features, brand names, and COMs were also identified in this stage. The information gathered from the qualitative phase was incorporated into the development of the quantitative survey instrument. According to COO labeling regulations, indication of COM for imported products and the names of manufacturers and importers are mandatory in Korea (The Office of Customs Administration, 1991). Therefore, the effects of brand image and COM on Korean consumers' purchase behavior in regard to global products are the focus of this study. The resulting empirical study was a cross-sectional study using a between-subjects experimental design. The study used a written self-report survey instrument to collect consumer behavior data from native Koreans. A cover letter explained the purpose of the study and directions for completion of the survey. Procedures of the quantitative study are presented in the following section.

Instrument

As previously indicated, two target products with corresponding brand names and salient product attributes were selected based upon the outcome of focus group interviews: an LG (Gold Star) TV and a Ralph Lauren Polo sweater. Different product types were included in the study to determine if the results would be product specific. Participants of focus group interviews did not mention aesthetic attributes when describing important attributes for TVs. Therefore, aesthetic dimensions were not included for TVs but were included for sweaters. The serviceability dimension was included only for TVs as it is not applicable to sweaters. The two target products were integrated into a hypothetical shopping scenario format within the self-report survey instrument. Thus, subjects were presented with information about each of the products in a manner much the same as might be presented in a point-of-purchase sign next to the product in the marketplace. No specific attention was drawn to COM, brand, or any other product attribute in the scenario. This information was randomly presented to avoid bias. The subjects were then asked to respond to questions about each product.

Due to the between-subjects research design, two parallel instruments were developed to accommodate two different products with different COMs for each product. The only variable that was manipulated between the subjects was the COM for each of two products. One version of the questionnaire presented the first product as being manufactured in its brand country (an LG TV manufactured in Korea) and the second product manufactured in a low-wage country not associated with the brand (i.e., a Ralph Lauren/Polo sweater manufactured in Mexico). The second version reversed the order of the products and the COM type. First, the Ralph Lauren/Polo sweater was presented as being manufactured in its brand country (i.e., the United States) and, second, the LG TV was presented as being manufactured in a low-wage country not associated with the brand (i.e., Malaysia). Therefore, a subject responded to questions only about the two product scenarios presented in the survey version they received. They did not know that

another version with different COMs was given to other subjects.

Once developed in English, each instrument was translated into Korean by a Korean unaffiliated with the project using a double-blind translation procedure to achieve construct equivalence. Researchers at major Korea universities again reviewed the Korean version of the instrument and made revisions to improve question clarity, comprehension, and readability. The instrument was then pretested with Korean consumers and further revisions were made. All of the measures used in this study, including the measures of beliefs, evaluations, attitudes, and behavioral intention (Fishbein & Ajzen, 1975), were previously established.

Evaluations: Prior to exposure to the hypothetical buying scenarios, subjects' evaluations of product attributes were measured by asking respondents about their views of the selected attributes when they shopped for each of the target products. Subjects were asked to respond to questions about the two assigned products, as previously noted: "When purchasing any (product X, e.g., TV), how good or bad is it that the TV has each of the following features. . ." The attributes for each product are provided in Table 3. Each question was measured on a seven-point Likert-type scale (1 = extremely bad to 7 = extremely good).

Beliefs: After responding to the evaluation questions about each product, respondents were asked to rate the likelihood that each of the prod-

ucts (TV or sweater) would have the salient attributes described in Table 3. Subjects answered the following question: "How likely is it that the brand Y product Y (e.g., Polo sweater) described above would have the following characteristics . . .," measured on a seven-point Likert-type scale (1 = extremely unlikely to 7 = extremely likely).

Brand Image: The brand image was measured by the item, "What is your general impression of the brand X product X (e.g., LG TV)?" on a seven-point Likert-type scale (1 = extremely bad to 7 = extremely good).

Purchase Attitudes: Respondents were asked to rate four separate items for each of the products on a seven-point Likert-type scale (1 = disagree extremely to 7 = agree extremely). The statement used for these measures was "When you need a new product X (e.g., TV), do you think that buying the brand X product X (e.g., LG TV) described above would be: 1) beneficial, 2) worthwhile, 3) wise, and 4) good."

Purchase Intention: Behavioral intention was measured as purchase intention by asking respondents to answer three questions: "I would consider buying the brand X product X (e.g., LG TV) described above;" "I would recommend the brand X product X described above to people who are close to me;" "Next time, I intend to buy the brand X product X described above." These items were also measured on a seven-point Likert-type scale (1 = disagree extremely to 7 = agree extremely).

TABLE 3. Salient Attributes and Relevant Quality Dimensions

Product	Dimensions	Attributes
LG TV	Performance	It has a high (clear) picture.
	Performance	It has a quality hi-fi stereo sound system.
	Serviceability	There are easily accessible authorized service centers.
	Brand Prestige	It has a prestigious/famous brand name.
	Technical Prestige	It is manufactured in an advanced/hi-tech country.
Ralph Lauren Polo Sweater	Aesthetics	It has a fashionable design.
	Aesthetics	There are a variety of colors.
	Performance	It is easy to manage/care for.
	Performance	It is comfortable.
	Performance	It has a good fiber content ^a .
	Brand Prestige	It has a prestigious/famous brand name.
	Technical Prestige	It is manufactured in an advanced/hi-tech country.

^aThis item was deleted due to the low item-total correlation.

Sample Selection and Data Collection

Korean consumers living in Seoul, Korea, and several satellite cities constituted the sample in this study. To ensure the inclusion of a broad spectrum of geographic and socioeconomic groups, potential survey areas were thoroughly reviewed and finally selected. Greater Seoul could be subdivided into six different areas based on the socioeconomic status of the residents and described as: southeastern Seoul, which is mostly upper socioeconomic status; northern, eastern, central, and southwestern Seoul, each of which is mostly lower to middle socioeconomic status; and the western areas, which are mostly lower socioeconomic status. Within each area, the researchers selected apartment complexes ranging from twenty to one-thousand units to be included in the sample.

Seven research assistants were selected from a major Korean university to collect data. Following extensive training to ensure consistency of administration and breadth of distribution of the questionnaires, each interviewer was assigned to a specific survey area. Once apartment complexes in each area were identified, the research assistant visited each unit and made contact with residents. Every third unit was approached to participate in the study. When a resident answered the door, the research assistant introduced him/herself and briefly explained the purpose of the survey while showing the resident the cover letter that explained the purpose of the research. Over a 5-week period, a total of 550 questionnaires was distributed with 456 returned, yielding an 82% response rate.

Data Analysis

For each product, COM was a dummy variable, coded as 1 = Korea, 2 = Malaysia for the TV and 1 = U.S., 2 = Mexico for the sweater. The belief (B_i) that performance of the behavior will lead to a specific outcome, i , was multiplied with the evaluation (E_i) and these composites were used as indicators of the latent constructs, that is, the five quality dimensions (aesthetics, performance, serviceability, brand prestige, and technical prestige). The proposed structural relations were tested using EQS 6.1 (Bentler, 1993).

RESULTS

Demographic Characteristics of Sample

Ages in the sample ranged from 18 to 65, with an average age of 36. Females constituted 90% of the sample and males 10%. Na, Son, and Marshall (1998) examined purchase role structure in Korean families. They found that soft products such as clothing are heavily purchased by women and electronic products such as TVs or audios are jointly purchased by males and females. In some instances, however, female respondents kept the survey instrument overnight. It was mentioned anecdotally to research assistants that these females consulted their husbands when responding to some questions. Thus, considering our sample products (i.e., TVs and sweaters) it is acceptable to have a female dominant sample in this study. Most respondents were married (85%) and received at least a 4-year university education (75%). According to the *Korea Statistical Yearbook* (2000), 20% of the total Korean adult population (whose age is above 20) has a college education. Thus, the study sample is more highly educated than the general Korean population. The levels of family income were reasonably balanced; 5% of the total respondents reported to monthly earn less than \$1,000, 25% earned \$1,000–\$2,000, 31% earned \$2,000–\$3,000, 20% earned \$3,000–\$4,000, 11% earned \$4,000–\$5,000, and 8% reported to earn more than \$5,000.

Since the between-subjects research design necessitated that the data be collected using two parallel surveys, analysis of variance was performed to determine if there were differences in age and income between the two samples. The results indicated that no differences existed. In addition, χ^2 tests were performed to determine if there were group differences for the categorical demographic variables of gender, marital status, and education. The results indicated that none of these tests was significant. Thus, the two samples were combined to examine demographic characteristics.

Statements were included in the questionnaire for manipulation checks. To measure familiarity of the brands employed in this study, the following statement was included with a seven-point

Likert-type scale (1 = extremely unfamiliar to 7 = extremely familiar): "How familiar are you with brand X product X (e.g., LG TV)?" Analyses of the responses to these statements indicated that respondents are familiar with these two brands (mean for the LG TV = 5.5; mean for the Ralph Lauren Polo sweater = 5.0). In addition, respondents viewed the quality of the LG TV manufactured in Korea (mean = 5.45) as higher than the same LG TV made in Malaysia (mean = 4.24) ($p < .001$). Similarly, the quality of the Ralph Lauren Polo sweater manufactured in the U.S. (mean = 5.23) is higher than that of the same sweater made in Mexico (mean = 4.16) ($p < .001$). Thus, the treatment manipulations were successful.

Reliability Tests and Confirmatory Factor Analysis

Cronbach's alphas for purchase attitudes for TVs and sweaters were .95 and .94; for purchase intention, .81 and .87, respectively, indicating good reliability. The item-total correlations for one of the attributes (good fiber content) for the performance dimension of sweaters were below .40. Thus, this item was deleted from further analyses. Because there were only two items for the aesthetics dimension for sweaters and the performance dimension for TVs and sweaters, correlation coefficients are reported (aesthetics for sweaters = .47, $p < .01$; performance for TVs = .72, $p < .01$; performance for sweaters = .51, $p < .01$).

Confirmatory factor analyses (CFA) were performed for the constructs with multiple indicators for each product. The results showed a good fit of the model to the data for each product (for TVs, $\chi^2 = 34.51$, $df = 24$, $p > .05$, CFI = 0.99, RMSEA = 0.04; for sweaters, $\chi^2 = 74.07$, $df = 38$, $p < .001$, CFI = 0.98, RMSEA = 0.06). All of the factor loadings were significant ($p < .05$) for the two products. Thus, convergent validity was achieved. LM tests represented no serious cross-loaded factor loadings (lambdas). Further, a series of nested confirmatory factor models were analyzed in which all of the covariances between latent constructs (phi matrix) were initially constrained at 1.0. When each constraint was removed one by one, the model fit (χ^2) was

improved significantly for these products. Therefore, discriminant validity was also achieved.

Proposed Structural Equation Model Tests

Covariance matrices for SEM models are provided in Table 4. Since the quality evaluation mechanisms (search, experience, and image mechanisms) cannot be included as second-order factors in SEM, the structural errors were correlated in the SEM programs. That is, for a TV, the structural errors (disturbances in EQS) of performance and serviceability, and brand prestige and technical prestige were correlated in the analyses. For sweaters, the correlated structural errors were imposed for brand prestige and technical prestige.

Overall Model Fit

The results of SEM analyses using Maximum Likelihood estimation indicated that the proposed model had an acceptable fit to the data for the two products (for the TV, $\chi^2 = 116.74$, $df = 63$, $p < .001$, CFI = 0.97, RMSEA = 0.06; for the sweater, $\chi^2 = 164.46$, $df = 76$, $p < .001$, CFI = 0.95, RMSEA = 0.07).

χ^2 Difference Tests

Further, the hypotheses of the current study include a comparison of the effects between COM and brand image. Thus, imposing four equality constraints, hypotheses H2c, H3c, H4c, and H5c χ^2 difference tests were performed to examine the relative importance between COM and brand image. Initially, models with these four constraints were analyzed and then, based on the results of LM tests, each constraint was released one by one. The results of χ^2 difference tests are discussed in the following section.

Hypotheses Tests

Results of the measurement model tests indicated that all of the factor loadings were significant and all the measurement error variances were significant. Results of structural model tests are reported in Figures 2 and 3 for each product. Hypotheses are tested based on the results of structural model testing using t-tests and χ^2 difference tests.

TABLE 4. Covariance Matrices for Structural Equation Model

Product: TV (n = 229)															
V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12	V13	V14	V15	
V1	0.25														
V2	0.01	1.10													
V3	-0.09	0.56	1.25												
V4	-0.05	0.46	0.86	1.13											
V5	-0.00	0.45	0.64	0.67	2.06										
V6	-0.07	0.56	0.69	0.62	0.64	1.32									
V7	-0.27	0.37	0.67	0.59	0.60	1.02	2.20								
V8	-0.07	0.54	0.93	0.92	1.11	0.92	0.98	1.41							
V9	-0.11	0.59	0.71	0.61	0.63	0.72	0.80	0.80	1.40						
V10	-0.15	0.56	0.67	0.64	0.63	0.72	0.88	0.82	1.21	1.45					
V11	-0.17	0.63	0.76	0.66	0.66	0.78	0.95	0.87	1.30	1.29	1.71				
V12	-0.19	0.62	0.76	0.68	0.60	0.80	0.95	0.84	1.24	1.32	1.44	1.73			
V13	-0.08	0.29	0.31	0.29	0.38	0.38	0.44	0.31	0.51	0.49	0.58	0.62	1.92		
V14	-0.15	0.44	0.46	0.40	0.40	0.53	0.60	0.48	0.80	0.86	0.90	1.01	0.91	1.74	
V15	-0.15	0.49	0.60	0.56	0.64	0.72	0.65	0.53	1.04	1.07	1.14	1.23	0.97	1.53	2.12

TV: v1 = COM; v2 = brand image; v3 = picture; v4 = sound; v5 = serviceability; v6 = brand prestige; v7 = technical prestige; v8 = overall quality; v9-v12 = purchase attitudes 1-4; v13-v15 = purchase intention 1-3.

Product: Sweater (n = 227)																
V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12	V13	V14	V15	V16	
V1	0.25															
V2	-0.01	1.13														
V3	-0.05	0.21	1.30													
V4	-0.01	0.30	0.60	1.27												
V5	-0.01	0.08	0.44	0.48	1.36											
V6	-0.03	0.30	0.32	0.49	0.64	1.18										
V7	-0.03	0.49	0.35	0.42	0.18	0.41	1.31									
V8	-0.37	0.41	0.35	0.34	0.04	0.13	0.82	2.35								
V9	-0.48	2.79	4.09	4.21	3.48	4.08	4.21	4.17	40.58							
V10	-0.04	0.49	0.40	0.36	0.26	0.34	0.45	0.50	2.77	1.40						
V11	-0.07	0.40	0.33	0.38	0.23	0.36	0.50	0.57	2.95	1.19	1.48					
V12	-0.05	0.39	0.35	0.27	0.15	0.28	0.42	0.48	2.52	1.16	1.14	1.39				
V13	-0.04	0.45	0.27	0.29	0.24	0.39	0.51	0.49	2.91	1.09	1.20	1.17	1.50			
V14	-0.05	0.45	0.25	0.29	0.17	0.32	0.45	0.59	2.49	0.77	0.86	0.80	0.83	1.55		
V15	-0.05	0.55	0.34	0.27	0.21	0.41	0.55	0.73	2.84	0.98	1.06	1.06	1.13	1.18	1.92	
V16	-0.05	0.66	0.36	0.36	0.26	0.48	0.59	0.85	3.53	1.07	1.13	1.09	1.12	1.30	1.67	2.25

Sweater: v1 = COM; v2 = brand image; v3 = color; v4 = fashion; v5 = care; v6 = comfort; v7 = brand prestige; v8 = technical prestige; v9 = overall quality; v10-v13 = purchase attitudes 1-4; v14-v16 = purchase intention 1-3.

Aesthetics Dimension

The aesthetics dimension in the search mechanism was tested only for sweaters. The results of t-tests indicated that there was no difference between the aesthetics evaluation of sweaters manufactured in the U.S. and that in Mexico (COM → Aesthetics = -.13, not significant [n.s.]). A positive effect of brand image (BI) on aesthetics was found, as expected

(BI → Aesthetics = .32, $p < .01$). Therefore, hypothesis H1a and H1b were supported. R square for the aesthetics dimension was 13%.

Performance Dimension

The results of t-tests indicated that the performance evaluation of TVs manufactured in Korea was higher than that in Malaysia, while

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FIGURE 2. Summary of SEM Results for Sweaters

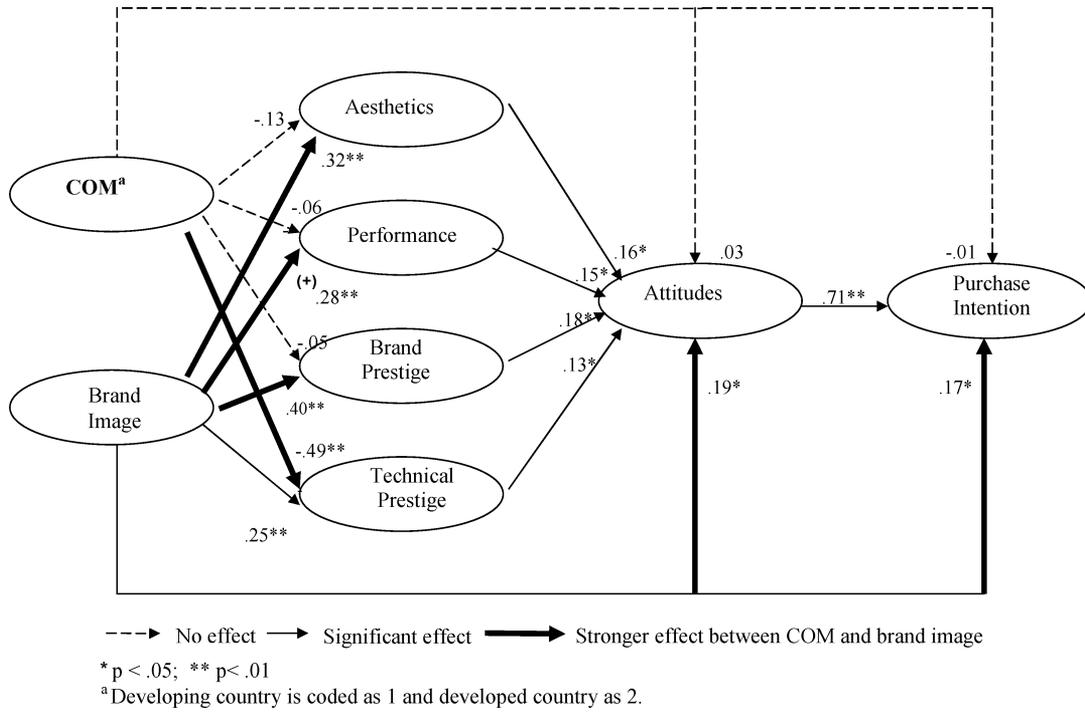
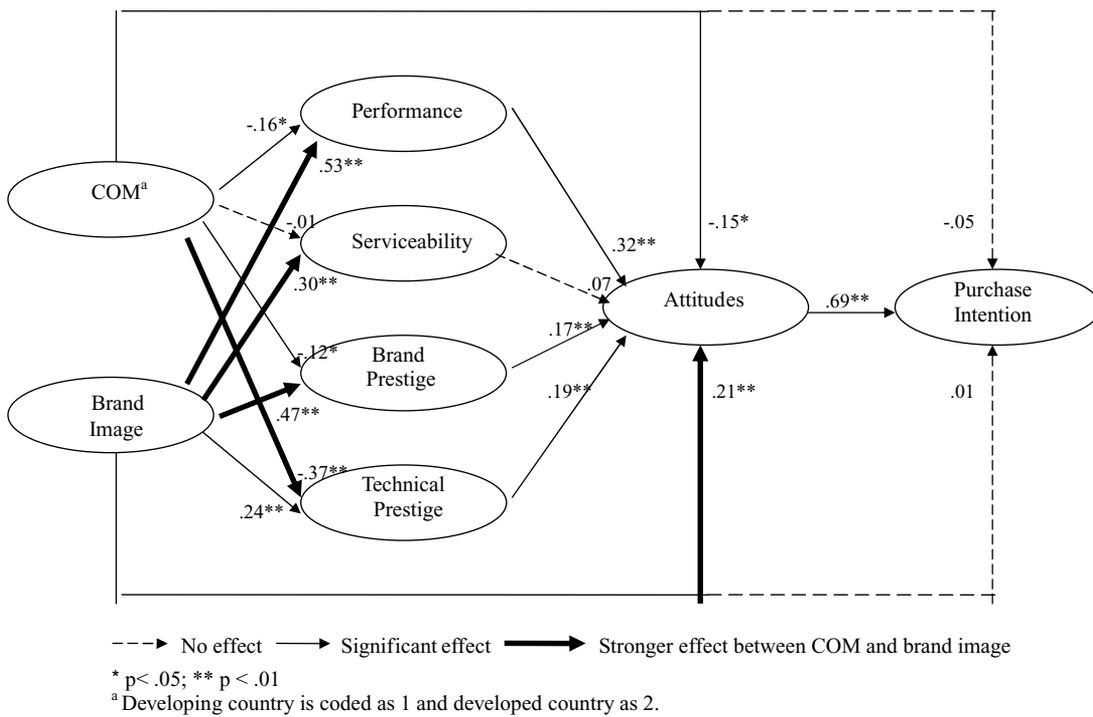


FIGURE 3. Summary of SEM Results for TVs



for sweaters, COM had no influence on the performance evaluation (COM \rightarrow Performance for TVs = $-.16$, $p < .05$; sweaters = $-.06$, n.s.). Thus, H2a was supported for TVs, but not for sweaters. H2b proposed a positive effect of brand image on performance, and both products supported this hypothesis (BI \rightarrow Performance for TVs = $.53$, $p < .01$; sweaters = $.28$, $p < .01$). Therefore, H2b was confirmed.

The results of χ^2 difference tests indicated that χ^2 was improved significantly when the equality constraint was released between the path of COM and performance and that of brand image and performance for TVs and sweaters. Thus, both products demonstrated a stronger effect of brand image on performance than of COM, as expected (for TVs, $\Delta\chi^2 = 24.15$, $df = 1$, $p = .000$; for sweaters, $\Delta\chi^2 = 10.12$, $df = 1$, $p = .001$). Thus, H2c was supported for both products. *R* square values for the performance dimension were 32% for TVs and 10% for sweaters.

Serviceability Dimension

Serviceability was examined only for TVs. Results of a t-test indicated that the serviceability evaluation of TVs manufactured in Korea was not higher than that in Malaysia (COM \rightarrow Serviceability for TVs = $-.01$, n.s.). Thus, H3a was not supported. Regarding H3b, a positive effect of brand image on serviceability was found for TVs (BI \rightarrow Serviceability for TVs = $.30$, $p < .01$). Therefore, H3b was confirmed.

H3c was tested only for TVs. The results of χ^2 difference tests showed that the χ^2 change improved significantly when the equality constraint was released between the path of COM and serviceability and that of BI and serviceability for TVs ($\Delta\chi^2 = 4.42$, $df = 1$, $p < .05$). Accordingly, H3c was confirmed. *R* square for the serviceability dimension was 10% for TVs.

Brand Prestige Dimension

Regarding brand prestige, H4a proposes that the brand-prestige evaluation of a product manufactured in a developed country will be higher than that in a developing country. The results for TVs supported this hypothesis, but not for sweaters (COM \rightarrow Brand Prestige for TVs

= $-.12$, $p < .05$; sweaters = $-.05$, n.s.). Thus, H4a was supported for TVs, but not for sweaters. On the other hand, both products indicated a positive effect of brand image on brand prestige (BI \rightarrow Brand Prestige for TVs = $.47$, $p < .01$; sweaters = $.40$, $p < .01$). Therefore, H4b was confirmed.

The results of χ^2 difference tests showed that the χ^2 change improved significantly when releasing the equality constraint between the path of COM and brand prestige and that of brand image and brand prestige for both products. That is, brand image had a stronger effect on brand prestige than did COM (for TVs, $\Delta\chi^2 = 24.75$, $df = 1$, $p = .000$; for sweaters, $\Delta\chi^2 = 12.46$, $df = 1$, $p < .001$). Thus, H4c was confirmed for both products. *R* square values for the brand prestige dimension were 24% for TVs and 17% for sweaters.

Technical Prestige Dimension

Regarding technical prestige, H5a proposes that the technical prestige evaluation of a product manufactured in a developed country will be higher than that in a developing country. The results for both products supported this hypothesis (COM \rightarrow technical prestige for TVs = $-.37$, $p < .01$; sweaters = $-.49$, $p < .01$). Therefore, H5a was supported. In addition, both products indicated a positive effect of brand image on technical prestige (BI \rightarrow technical prestige for TVs = $.24$, $p < .01$; sweaters = $.25$, $p < .01$). Therefore, H5b was confirmed.

The results of χ^2 difference tests showed that the χ^2 change improved significantly when the equality constraint was released between the path of COM and technical prestige and that of brand image and technical prestige for both products. That is, COM had a stronger effect on technical prestige than did brand image (for TVs, $\Delta\chi^2 = 20.29$, $df = 1$, $p = .000$; for sweaters, $\Delta\chi^2 = 55.95$, $df = 1$, $p = .000$). Thus, H5c was confirmed. *R* square values for the technical prestige dimension were 20% for TVs and 30% for sweaters.

Purchase Attitudes

The results of t-tests indicate that purchase attitudes were positively related to performance,

brand prestige, and technical prestige for both products (performance \rightarrow purchase attitudes for TVs = .32, $p < .01$; sweaters = .15, $p < .05$; brand prestige \rightarrow purchase attitudes for TVs = .17, $p < .01$; sweaters = .18, $p < .05$; technical prestige \rightarrow purchase attitudes for TVs = .19, $p < .01$; sweaters = .13, $p < .05$). Purchase attitudes also were positively related to aesthetics for sweaters (aesthetics \rightarrow purchase attitudes for sweaters = .16, $p < .05$). However, they were not significantly related to serviceability for TVs (serviceability \rightarrow purchase attitudes for TVs = .07, n.s.). Thus, H6a, H6b, H6d, and H6e were confirmed.

H7a proposes no effect of COM on consumers' product purchase attitudes, but only the results for sweaters supported this hypothesis (COM \rightarrow purchase attitudes = .03, n.s.). Interestingly, TVs indicated a negative effect of COM on consumers' attitudes toward purchasing the products (COM \rightarrow purchase attitudes for TVs = $-.15$, $p < .05$). That is, Korean consumers had more positive attitudes toward purchasing the products manufactured in Korea than those in Malaysia. Thus, H7a was rejected for TVs, but supported for sweaters. In addition, in H7b no influence of brand image on purchase attitudes was proposed, but a positive effect was found for both products (BI \rightarrow attitudes for TVs = .21, $p < .01$; sweaters = .19, $p < .05$). Thus, H7b was not supported. *R* square values for purchase attitudes were 52% for TVs and 25% for sweaters.

Given the significant effects of both COM and brand image on purchase attitudes for TVs, a post hoc analysis was conducted to examine the relative importance of brand image and COM. The result of a χ^2 difference test showed that brand image has a stronger influence on attitudes than does COM ($\Delta\chi^2 = 15.11$, $df = 1$, $p < .01$). Therefore, the current study indicates that brand image is critical in the formation of purchase attitudes for both products.

Purchase Intention

Consumers' purchase attitudes had a positive effect on their purchase intention for both products (purchase attitudes \rightarrow purchase inten-

tion for TVs = .69, $p < .01$; sweaters = .71, $p < .01$). Therefore, H8a was supported.

Regarding H8b, no effect of COM on purchase intention was found for both products as expected (COM \rightarrow purchase intention for TVs = $-.05$, n.s.; sweaters = $-.01$, n.s.). Therefore, H8b was supported. On the other hand, although there was no effect of brand image on purchase intention for TVs, a positive effect of brand image on purchase intention was found for sweaters (BI \rightarrow purchase intention for TVs = .01, n.s.; sweaters = .17, $p < .05$). Therefore, H8c was supported for TVs, but not for sweaters. *R* square values for purchase intention were 49% for TVs and 63% for sweaters.

DISCUSSION AND IMPLICATIONS

The present study sought to provide a comprehensive model of the differential effects of brand image and COM in the context of hybrid global products 1) by employing search, experience, and image evaluation mechanisms, which were adapted from Nelson's (1970, 1974) and Thakor and Katsanis's (1997) conceptualizations; and 2) by adopting the Theory of Reasoned Action (Fishbein & Ajzen, 1975).

The results of this study indicated that the evaluation mechanisms (search, experience, and image) predicted the relative importance of brand image and COM better for TVs than for sweaters. In the case of TVs, both brand image and COM had significant influences on the experience (performance) and image dimensions (brand prestige and technical prestige), as the model suggested. COM, however, was found to have no influence on serviceability (experience mechanism). This result suggests that because LG is a Korean brand, Korean consumers do not perceive that the brand's COM is related to the accessibility of authorized service centers. For the sweater, the prediction of the relative importance of the brand image and COM by the search mechanism was supported, but mixed results were found for the experience (performance) and image mechanisms (brand prestige and technical prestige). For Korean consumers, brand image had a significant influence on the performance, brand prestige,

and technical prestige dimensions, as the model predicted, but COM had weaker influences than expected. The relative strength of brand image and COM is discussed in detail below.

The results of this study indicated that the brand image of hybrid products had a stronger effect on aesthetics, performance, serviceability, and brand prestige evaluations than COM for both products (Figures 2 and 3). Upon closer examination, however, the two products showed different patterns. In the case of TVs, even if brand image had a stronger effect on these quality dimensions, COM still exerted an influence on the performance and brand prestige evaluations, which reflects the fact that the brand image cannot totally wash out the effect of COM. On the other hand, in the case of sweaters, brand image indeed removed the effect of COM on the aesthetics, performance, and brand prestige evaluations. In other words, manufacturers of globally branded sweaters are able to maintain favorable aesthetics, performance, and brand prestige evaluations even if the products are manufactured in developing countries. These results imply, therefore, that the impact of COM on product evaluation is moderated by product type. Using meta-analysis of effect sizes, Liefeld (1993) reported that the magnitude of COO effects is related to product type. That is, COO effects were larger for technologically complex and expensive products than for inexpensive products low in technology. TVs are more technologically complex and expensive than sweaters, thus, the current study's findings are consistent with those of Liefeld (1993). Regarding the technical prestige dimension, both brand image and COM had significant influences for TVs and sweaters. The effect of COM, however, was stronger than that of brand image for both products as technical prestige is highly associated with advanced/high technology of the country where the product is manufactured.

Another important result of this study is the significant effect of brand image and COM on purchase attitudes. The influence of brand image or COM on purchase attitudes in previous research (Ahmed et al., 2002; Okechuku & Onyemah, 1999) was spurious because these studies omitted a cognitive belief structure (quality evaluation), an immediate antecedent

of purchase attitudes according to the theory of Fishbein and Ajzen (1975) (Figures 2 and 3). The current study confirmed that these cues are effective even when considering COM, brand image, and quality evaluation together in the attitude model. In other words, brand image had a significant effect on purchase attitudes for both products. A product effect was found for COM in that COM was significantly related to attitudes only for TVs. Such a significant COM effect for TVs, however, was not stronger than brand image. Therefore, the current study found that a brand image is critical in the formation of purchase attitudes for both products.

The significant influence of COM on purchase attitudes in the case of TVs, however, should be noted, because previous studies (Erickson et al., 1984; Johansson et al., 1985) found no effect of COO on purchase attitudes when multiple cues were provided. Such a different result could be due to different samples. That is, due to their limited experience with other COMs, Korean consumers could be more sensitive to COM than American or Japanese consumers when they form purchase attitudes about electronics, as in the studies of Erickson et al. (1984) and Johansson et al. (1985). No other studies have examined the effect of COM on purchase attitudes of Korean consumers; however, Ulgado and Lee (1998) reported that Koreans consider COM to be more important when evaluating product quality than do Americans. Thus, this result indicates that the country in which a consumer lives can be a factor that conditions COM and branding influences, along with other factors such as product type. These are factors that could be influenced by the maturity and sophistication of the marketplace in a specific country.

The final analyses were focused on the influence of brand image and COM on purchase intention. COM had no influence on purchase intention for both products, as proposed. On the other hand, brand image was significantly related to purchase intention for sweaters, but not for TVs. Thus, this result may suggest that for fashion/image products that do not require advanced technology, brand image dominates consumers' purchase decision making. Since this

study employed only one electronic product and one fashion product, this result could not be verified with other products. Thus, further study should be done to compare findings based upon product type.

The findings of the current study provide strategic implications for multinational electronics and apparel companies that are targeting Korean consumers. International marketing managers in these companies should first acknowledge that establishing a strong and favorable brand image is important in Korean consumers' product evaluations in terms of performance, brand prestige, technical prestige, and purchase attitude formation. The findings of this study, however, indicate that moving production facilities of electronic products to developing countries can damage consumers' performance evaluation and prestigious brand and technical images. This also may negatively affect Korean consumers' attitudes toward purchasing the product. Thus, electronics marketing managers who decide to manufacture their products in developing countries should emphasize the prestigious brand and high technology images in their promotions and product packages, which may compensate for the potentially negative images associated with certain COMs. The excellence of product performance should also be highlighted in advertisements. Extended warranties and enhanced serviceability would be good options to consider in order to build reliability and to offset Korean consumers' unfavorable impressions that are linked to developing countries.

International apparel managers, on one hand, should be aware that the establishment of a strong and favorable brand image is critical in Korean consumers' decision-making, while the effect of COM is limited. This study found that brand image strongly influences Korean consumers' product evaluations of aesthetics, performance, brand and technical prestige, purchase attitudes, and purchase intention. On the other hand, these consumers did not consider the COM of the hybrid sweaters when they evaluated the aesthetics, performance, and brand prestige of these products. Accordingly, country-sourcing considerations become less significant for apparel with strong and favorable brands.

Managerial implications of the present study, however, should be considered in light of research limitations. This study employed only one product from each of two product categories: electronics and apparel goods. Thus, future research should examine the generalizability of the current findings to other products with different characteristics. In particular, this study revealed that the relative importance of COM and brand image is different based on the product categories. Korean consumers are less sensitive to COM and more to brand image in their purchase decisions for apparel products than for electronics. Electronics are considered to be more technically complex and expensive products than apparel. Thus, the moderating effects of price and technology level on the consumers' views of COM versus brand should be examined in the future.

In addition, we studied how Korean consumers evaluate a Korean-brand LG TV when it is manufactured in their home country (Korea) versus in another country (Malaysia). The results show that the home country bias in COM exists among Korean consumers. They evaluate performance, brand prestige, and technical prestige dimensions of TVs higher when they are manufactured in Korea rather than in Malaysia. However, the foreign country COM employed in this study is less economically developed than Korea. Thus, with this research design, it is not clear how Koreans would react if a good is manufactured in a more developed country than their home country. Therefore, future study should employ both more and less economically developed countries than the home country to obtain a more complete picture of the home country bias in quality evaluation.

Although the Korean consumers involved in the focus groups in this study did not identify aesthetic characteristics as being important in their selection of TVs, with increasing TV choices in the marketplace, aesthetic attributes may become more important. Therefore, aesthetic dimensions for electronic products should be examined in future studies. In addition, in theorizing the influence of brand image and COM on purchase attitudes and purchase intention, the moderating effect of the consumers' nationality should be considered.

NOTES

1. In this study, hybrid products are goods in which the COM is different from the COO.
2. South Korea is one of the major U.S. export markets. In April 2007, Korea was the eighth largest market for U.S. exports (U.S. Census Bureau, 2007).
3. Previous studies that identified “made-in/tailored-in” labels as COO are presented as COM in the current study.
4. Darby and Karni (1973) defined the credence dimension as a quality perception that the consumer cannot verify even after use, for example, surgeries or car repairs. However, Thakor and Katsanis’ credence dimension is quite different from Darby and Karni’s (1973) original credence dimension in that they considered it as aesthetics and prestige. In our study, we interpreted Thakor and Katsanis’ credence dimension as an “image mechanism” and defined it as “consumers’ quality evaluation process activated to assess the prestige of the image stimulated by brand name or use of advanced/high technology. We categorized aesthetics as a component of the “search mechanism,” in which consumers evaluate the quality dimensions that can be evaluated through information seeking and processing, without purchasing or using the item (Nelson, 1970, 1974; Thakor & Katsanis, 1997). Aesthetics is assessed through this mechanism because style, fashion, colors, or variety of a product can be examined prior to purchase.
5. In SEM, the quality evaluation mechanisms are second-order factors, since multicollinearity among the quality dimensions suggests the existence of other latent variables, which are the three quality evaluation mechanisms in the present study (Bollen, 1989). The proposed models in this paper, however, are constructed in a way that these higher-order factors are hard to empirically test using SEM. That is, in order to be identified in the SEM, the six quality dimensions should be influenced only by the second-order factors (evaluation mechanisms). However, the models are designed in a way that the quality dimensions are influenced by COM and brand image as well as the second order factors. Thus, these models cannot be identified in the SEM.
6. Because developed (U.S.) or newly industrialized countries (Korea) are coded as 1 and developing countries (Malaysia and Mexico) are coded as 2, COM has negative influences on dependent variables.

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