UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

NATIONAL STEREOTYPES AS DRIVERS OF THE COUNTRY-OF-ORIGIN EFFECTS: AN ANALYSIS OF THE CAR MARKET IN MACEDONIA

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AUTHORSHIP STATEMENT

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LIST OF ABBREVIATIONS

BIAF – Brands as Agents Framework

CET - Consumer Ethnocentrism Tendencies

CI – Country Image

COB – Country-of-Brand

COD – Country-of-Design

COM – Country-of-Manufacture

COO – Country-of-Origin

FCS – Fully Conditional Specification

MAR – Missing at Random

MCAR – Missing Completely at Random

MCMC – Markov Chain Monte Carlo

MICE – Multiple Imputation by Chained Equations

MNAR – Missing not at Random

MNC - Multinational Corporation

OICA – Organization of Motor Vehicle Manufactures

PCI – Product-Country-Image

PMM – Predictive Mean Matching

SCM – Stereotype Content Model

INTRODUCTION

The increased level of globalization and the fast pace of changes happening in the world made a significant impact on consumers. In today's global marketplace, consumers are faced with many stimuli when making purchasing decisions. On the other hand, firms face interrelated challenges in global marketing. These challenges are a result of the increased level of internationalization of the consumer market, where the consumers have a wider variety of products to choose from, both national and foreign. Additionally, the rapid growth of emerging and developing market economies resulted in increased competitiveness in industries which traditionally have been dominated by developed economies, such as the automotive industry (Jiménez & San-Martin, 2016).

These factors bring a considerable challenge for brands to find the right path to developing effective brand positioning, communication, and promotional strategies. Therefore, it is of great importance for brands to understand their consumers' behaviors and the way they make choices, thus find the right approach, and the right solutions for the global environment in which consumers can freely choose between products of different origins (Usunier & Cestre, 2007).

Many factors affect consumers' choice, and these can vary from the national origin of the product to the market presence and availability. The influence of the national origin of the product is a complex subject, which has been a matter of discussion over a long period. It has been addressed by many researchers, which resulted in an abundance of research related to the topic.

Although researchers recognized and confirmed the importance of the influence of the country-of-origin on consumer decision making in many studies, there is somewhat less research done on national stereotypes as an antecedent to country-of-origin evaluation, despite their importance (Chattalas, Takada & Kramer, 2008). Research on stereotypes as an antecedent to country-of-origin evaluation is essential since the mere presence of a country-of-origin cue can automatically trigger internally-stored stereotypes, which can have an impact on brand evaluation (Herz & Diamantopoulos, 2012).

National stereotypes influence the way we look at particular products. There is an unwritten rule regarding consumer perception of the quality of German cars, Italian shoes, and French perfumes, which is a result of the influence of national stereotypes on the country image and product-country-image which set consumer expectations about the product. Many multinationals have taken advantage of the positive national stereotypes connected with their brand origin. For instance, for its 120th anniversary, Opel launched their advertising

campaign “Born in Germany, made for us all,” where it utilized the positive country stereotype connected with the German efficiency (Opel, 2019). Therefore, it would be of great importance for brands to understand which stereotypes are present among their consumers so that they can manage the country-of-origin effects accordingly.

As a result, this thesis looks at national stereotypes as drivers of country-of-origin effects through an empirical examination of the automobile market in North Macedonia. Therefore, **the purpose** of this master’s thesis is to investigate how national stereotypes underline country-of-origin effects by using the stereotype content model (i.e., a model that represents a major theoretical advance on the study of country-of-origin contents (Chattalas, Takada & Kramer, 2008). In line with this purpose, I focus on the relationship between the stereotypes on the one hand and country image and product-country image on the other. As a result**,** the goal is to identify the presence of national stereotypes among North Macedonian consumers and determine their effects on the general country image and product-country image.

The objectives of the present study and empirical research are the following:

1. To identify the presence of national stereotypes among North Macedonian consumers.
2. To empirically test whether national stereotypes (warmth and competence) affect country-of-origin.
3. To examine the effects of national stereotypes (warmth & competence) on general country image and product-country image.
4. To compare whether the dimensions of warmth and competence vary among different countries.
5. To determine the influence of national stereotypes as drivers of country-of-origin effects amid North Macedonian consumers.

The study utilizes secondary and primary information. I collected the secondary data from professional journals and refereed academic journals, which are evaluated by academic peers before publication to assess their quality and suitability. I collected the primary data by conducting a survey. I summarized and critically analyzed the secondary data, i.e., the previous findings to provide a foundation for the collection of the primary data as well as the statistical analysis.

Using an online survey and a fieldwork survey, I collected data from 228 participants, which helped in answering the following research questions:

How do competence/warmth stereotype dimensions relate to the general country image?
How do competence/warmth stereotype dimensions relate to the product-country image?
How does the general country image relate to the product-country image?

The sample consists of 58.9% female and 40.8% male. Taking into account that Millennials and early iGens are the next generations of car buyers, I focused my study on these two cohorts. Therefore, all the respondents in the study are born between 1980 and 2000, where 40.8 % are born between 1980 and 1994, thus represent the Generation Y (Millennials) and 55.3% belong to the Generation Z (iGen). The mean age of the respondents is 25.21. All respondents are North Macedonian nationals.

To reach the purpose of this study, I tested the hypotheses stated below. All hypotheses are consistent with the research questions outlined earlier.

H1a: Perceived competence is positively related to the general country image (CI).
H1b: Perceived competence is positively related to the product-country image (PCI).

H2a: Perceived warmth is positively related to the general country image.
H2b: The relationship between perceived warmth and PCI is mediated through CI.

H3: Country image (CI) is positively related to the product-country image (PCI).

I organized the sections of the thesis into four chapters. The first chapter deals with the literature review, where I present a review of prior research on country-of-origin effects, county image and product-country image, followed by a discussion of previous research on national stereotypes by introducing the stereotype content model, as a useful tool in exploring country-of-origin contents. The second chapter is devoted to the empirical part, where I present the conceptual model of the study, the hypotheses development, and explain the research methodology. The third chapter presents the statistical analysis of the data and hypotheses testing. In the final chapter, I interpret the results presented in the previous chapters and discuss the theoretical and practical implications, along with the limitations and directions for future research.

1 LITERATURE REVIEW

In this chapter, I present a critical review of the literature as a foundation on which I based this thesis. The chapter provides insight into relevant previous research findings, theoretical and methodological contributions, as well as trends that have emerged in the study of the country-of-origin contents, including the emergence of the study of national stereotypes, and the adoption of the stereotype content model.

1.1 The concept of Country-of-Origin (COO)

Country-of-Origin (hereinafter COO) is a popular research topic in international marketing. COO research aims to explain how the product's country-of-origin influences consumer evaluations (Usunier, 2006). The concept of COO has been substantially studied as part of the international marketing field (Parente-Laverde, 2014). The keen interest in the COO concept of nearly half of a century resulted in an abundance of literature consisting of a large number of research papers published in a variety of academic journals (Samiee, 2010).

Therefore, there is plentiful evidence of the influence of a products' COO on consumer evaluation. However, some researchers started to question the relevance of the COO. As Usunier (2006) suggests, researchers have to face the double-edged sword of academic credibility, as well as real-world significance.

1.1.1 The relevance of the Country-of-Origin concept

A conflicting research stream has appeared concerning the COO concept. Some researchers suggest that the relevance of COO has declined and that consumers care very little about the origin of the product. Usunier (2006) presents an evolution of the literature over time in great detail. According to him, the relevance of COO is no longer a significant issue for international marketing operations. He points out several reasons for this, such as multinational production, a decline of origin labeling in WTO rules, and global branding.

Furthermore, Samiee, Shimp, and Sharma (2005) argue that the recognition of brand origin is limited, which also suggests that the brand's origin is not that important to consumers. Diamantopoulos and Balabanis (2008) supported those findings, although they point out that the findings do not necessarily apply to all brands within a product category, they argue that "the majority of consumers either assign the wrong COO to the brands involved or are simply unable to assign any COO" (Diamantopoulos & Balabanis, 2008, p.60). Magnusson, Westjohn, and Zdravkovic (2011) supported the argument that information about brand origin has become more cryptic and difficult to determine. However, they point out that although objective evaluations of the brand can be difficult to develop, consumers still give brands country associations. These country associations drive consumers' attitudes towards the brand, and there is an implicit perception about a brand COO that influences brand attitudes.

Moreover, Diamantopoulos, Schlegelmilch, and Palihawadana (2011) provide new evidence of the role of COO. Their findings indicate that even though COO might not have direct influence, it has a significant indirect impact on consumers' purchase intentions. This is a result of the strong influence of the country image and product-country image perceptions and their effect on brand image. Thus, their findings demonstrate the importance of the COO

construct and help reconcile some of the contradictories found in the literature. Their results reveal that country image and product-country image have a strong influence on purchase intentions through their impact on brand image, thus confirming the significant indirect influence of the COO construct.

Furthermore, the formulation of brand attitude is significantly affected by country perceptions even in cases when the impact of brand globalness/localness is explicitly accounted for (Halkis, Davvetas & Diamantopoulos, 2016). Moreover, despite the accuracy of the brand origin perception, the product-country image of the brands' perceived origin affects brand attitude. Thus, the accurate knowledge and recognition of the COO is not necessarily an essential condition for COO to affect brand attitude (Magnusson, Westjohn & Zdravkovic, 2011). Andéhn, Gloukhovtsev, and Schouten (2016) also agree that the concept of COO seems to tenaciously resist to provide a rationale on how it affects consumers in practice, yet they point out that it is ill-advised to assume that the COO effect is irrelevant.

Nevertheless, they give a broader perspective of the issue and point out that consumers can unconsciously attribute meanings to entities, such as countries, and these meanings can affect them in forming attitudes towards brands. As a result, they argue that the COO effect is very similar to a stereotype-inducted bias, which is learned and influences decisions without the knowledge and control of the decision-maker. Therefore, they suggest that future studies on the COO topic would do well if they take into account the advances made in other fields as a means of making sense of the COO phenomenon (Andéhn, Gloukhovtsev & Schouten, 2016).

Chattalas and Takada (2013) also agree that there is a lack of investigation in the literature on how systematic differences in the content of national stereotypes impact consumer expectations. By looking at the influence of the national stereotypes, that is, the competence and warmth dimensions, they showed that the nation's COO matters, identifying the national stereotypes as an underlying reason for this. For instance, even though there is a big difference in price, consumers tend to prefer French over Austrian champaign, Italian over Finnish fashion and German over Chinese cars (Chattalas, Takada & Kramer, 2008).

Consequently, Chattalas (2015, p.2) argues that "the literature is currently lacking an investigation into how systematic differences in the content of national stereotypes (i.e., differences in perceptions of the warmth and competence of a particular country's people) impact consumer expectations and purchase likelihood." Gartner (2011) also concluded that the majority of the articles published on the national stereotype issue are qualitative and based on personal opinions or case studies, thus lack the theoretical background and empirical evidence.

1.2 Defining Country-of-Origin, Country Image, and Product-Countr Image

The emergence of global markets and global companies, which resulted in many companies to engage in multinational production, have led to different definitions in the literature of what COO represents. Furthermore, different views on defining country image exist as well, where some researchers use it as an umbrella term with product-country image, and others argue that those two contracts need to be treated separately. Therefore, by focusing on the different discussions in the literature, this section aims to provide a better understanding of the three constructs.

1.2.1 Defining Country of Origin

When evaluating a given product, consumers often rely on the products' COO, which means that they rely on the COO of the product with which the product is associated inside their minds (Chattalas, Takada & Kramer, 2008). However, despite the abundance of research, which focuses on the COO topic, researchers struggle to define what COO means. In the past COO referred to the country from which the product was imported. However, the emergence of global markets and global companies which design their products in one country, assemble them in another by using raw materials from many different locations, have complicated the precise definition of the COO phenomenon (Brodowsky, Tan & Meilich, 2004).

Managers have various reasons for making such international strategies, which can vary from cost considerations to proximity to end-user markets. Also, they can use a particular country as a means of competitive advantage (Brodowsky, Tan & Meilich, 2004). As such, the global sourcing and manufacturing made the specification of products' COO much harder, because many products have dual, even multinational origins. For instance, although Toshiba is a brand associated with Japan, Toshiba television may be assembled in Mexico and include parts from Mexico, Japan, or even America (Chattalas, Takada & Kramer, 2008).

Therefore, a different stream of COO definitions has appeared. Some researchers pointed out to the country-of-manufacture (hereinafter COM) (Samiee, 1994), which is the country that appears under the "made in…" label and represents the country of the final assembly of the good (Usunier, 2006). However, even though COO studies initially focused on consumer's response to the "made in..." stimulus, the globalization has played its role and the cue started to lose its meaning because in today's globalized marketplace products are manufactured in a variety of countries and often do not have a single source of origin (Motsi, 2016). Therefore, other researchers are pointing out to the country-of-design of the product (hereinafter COD), that is, the country where the product is designed and developed (Nebenzahl, Jaffe & Lampert, 1997).

Unusier (2006) also argues that with the increasing multinational production, the difference between CODs and COMs has been growing. The multinational companies tend to manipulate with their brand names so that the brand name suggests a particular origin. He defines this as country-of-brand (hereinafter COB). Thus he concludes that the COO is more and more connected with that country which consumers generally associate with a product or brand, regardless of the country of manufacturing. Other researchers have also shown that COB has become more significant to consumers than COM (Samiee, Shimp & Sharma, 2005).

Multinational corporations are not big supporters of the COM labeling, and instead, they prefer to emphasize COB and de-emphasize the origin of goods since their system of global sourcing is based on low-cost manufacturing in countries which have a weaker quality image (Usunier, 2006). For instance, the Russian manufacturer of home appliances Tehno Sila has registered its brand BORK in Germany, which allowed the company a legal right to market it as German product (Division of Industry, Growth, and Infrastructure, 2018) so that it can take advantage of the good country image. On the other hand, Apple, which designs its phones in California, but assembles them in China, explicitly stated on the back of every iPhone "Designed by Apple in California. Assembled in China," where they point out that even though the phone is assembled in China, it is still an American product. Hence, many stimuli can activate origin recognition, but brand names work better than manufacturing origin because marketers are always willing to put the brand at the forefront. That way, the origin can be reinforced by marketing communications. Also, the brand is always visually displayed and does not take a lot of effort for consumers to find it. Thus, it takes much less effort to find the brand than the "made in…" label (Unusier, 2011).

As Samiee (1994) pointed out, the COO denotes the country with which the firm is associated. Therefore, even though early research claims that the country of manufacturing had a more significant influence on product evaluations than the country of brand origin (Han & Terpstra, 1988; Tse & Gorn, 1993), more recent studies claimed the opposite. When simultaneously presented the COB cue had a stronger influence on evaluations than the COM cue, hence the COB accounts for the more significant impact (Srinivasan, Jain & Sikand, 2004; Samiee, Shimp & Sharma, 2005). Thus, the COO is increasingly associated with the country of product or brand, while the concern with the country in which the product is manufactured is declining (Usunier & Cestre, 2007).

1.2.2 Defining Country image

Country image (hereinafter CI), also referred to as macro country image (Pappu, Quester & Cooksey, 2007), is defined by Martin and Eroglu (1993, p.193) as "the total of all descriptive, inferential and informational beliefs one has about a particular country." This definition is widely used in the literature (Motsi, 2016). Motsi (2016) argues that the above definition as

a conceptual domain of the CI construct represents a much broader conceptualization of the CI since it is not bound to product-related images. However, some researchers combine country image, and product-country image under an umbrella construct of CI, and others include only product-related operationalization. For example, Roth and Romeo (1992, p.480) define CI as "the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses." According to Nagashima (1970, p.68), the country image is "the picture, the reputation, the stereotypes that businesses and consumers attach to products of a specific country."

Furthermore, Han (1989) looks at it as a halo and a summary construct. He argues that when consumers are not familiar with the products of a particular country, they may use CI as a halo, from which they can make conclusions regarding the product categories. Such inferential beliefs may have an indirect influence on brand attitude. Conversely, when consumers gain familiarity with the country's products, the CI may be a construct that summarizes consumers' beliefs regarding the attributes of the products, thus affect their attitudes towards the brand. However, Motsi (2016) argues that the decomposed model, i.e. separation of the CI and product-country-image addressed the weakness of earlier COO research, because he believes "It is difficult for researchers to know whether consumers upon encountering the COO cue respond to the country itself or use pre-existing knowledge about products made in the country to make evaluations about the COO" (Motsi, 2016, p.4).

Nonetheless, CI, as a general phenomenon, influences consumer product evaluation. For instance, if a country has a poor image in terms of democracy, this would translate to the country image of the goods originating from that particular country (Martin & Eroglu, 1993). Moreover, Hakala, Lemmetyinen, and Kantola (2013) concluded that country images are based on stereotypical views and suggest that such stereotypes, depending on their nature, need to be altered or reinforced. Moreover, they claim that celebrities can act as ambassadors for the whole country in improving the country image. Therefore, CI is one of the factors that consumers consider when making their purchasing decisions and has an impact on the equity of the brand which indirectly is important for creating brand loyalty (Yasin, Noor & Mohamad, 2007). Therefore, a positive image can be a powerful asset for a country (Chinen, Sun & Ito, 2014).

Country's governments also strive towards building and maintaining a good CI, as it improves the country's international competitiveness. For example, in Switzerland, the government explicitly guides how Swiss companies could use the CI values. However, not all companies include them in their external communications which can lead to diluting the overall CI and its impact on the perceptions of the consumers in the long run (Hynes, Caemmerer, Martin & Masters, 2014). Hence, Hynes, Caemmerer, Martin, and Masters (2014) strongly argue that solid foundations based on values already found within a country

are needed to build a strong CI. Such foundations would enable organizations to live the brand. Therefore, Hynes, Caemmerer, Martin, and Masters (2014) advise against using expensive and potentially controversial promotion of CIs, because the main goal of the country is to keep its reputation which is being continually reinforced by organizational actions as well as the products and services offered.

It is crucial to mention that Lu, Heslop, Thomas, and Kwan (2016), in their examination of the status and evolution of CI research, have noted that there is a decline in the appeal of CI research. They point out to this as a serious concern that should not be overlooked. Furthermore, they provide various directions for new studies. They suggest that future research may focus on the impact of CI on the brand in the presence of interdependencies of global companies networked to suppliers and markets operating in many countries. Taking this into account they also point out that there is a moderate rate of study of the influence of stereotypes in emerging markets, and suggest that this may be a direction on which future research may focus.

1.2.3 Defining Product-Country Image

The product-country image (hereinafter PCI), also referred to as micro country image (Pappu, Quester & Cooksey, 2007), focuses on the effects that information related to a particular country, has on consumer perceptions (Brodowsky, Tan & Meilich, 2004). According to Papadopoulos and Heslop (2003, p. 404), PCI is defined as a "place related images with which buyers may associate a product." PCI affects the consumer brand origin perceptions with PCI being positively related to brand attitude (Magnusson, Westjohn & Zdravkovic, 2011). By looking at product country images, Tseng and Balabanis (2011) found that products typical for a country can acquire more favorable consumer attitudes and possess more positive COO images than the atypical ones. Thus, PCI captures the image of the country's products in a particular category.

As discussed before, companies manifest COO information in a variety of ways. The most used one has been the "made in…" label. However, there are many other ways of expressing the product country image, such as explicitly adding it in brand names. Example of this is American Airlines. Another way of expressing the PCI is by implicit use of colors in the brand name or the packaging. Example of this is IKEA, which uses blue and yellow, the colors of the Swedish flag (Brodowsky, Tan & Meilich, 2004). Hence, there is a range of different ways of how companies can take advantage of their positive PCIs in their external communication campaigns. This can be manifested in a variety of ways such as through the use of national colors or the flag directly, pictures that represent country image values, as well as the use of words related to the country image values (Hynes, Caemmerer, Martin & Masters, 2014).

Furthermore, the positive performance of a particular country brand can contribute to positive CI (Pappu, Quester & Cooksey, 2007). A well-known country brand can make a positive contribution to the CI and enhance its competitive reputation (White, 2012). However, such brand influence of CI can go both ways. Magnusson, Krishan, Westjohn, and Zdravkovic (2014) looked at the spillover effects of prototype brand transgressions on country image and related brands and found that the product level beliefs affect country-level beliefs. Other firms associated with the country may face adverse spillover risks, transferred through CI, which are a result of brand transgressions of prototypical brands (Magnusson, Krishan, Westjohn & Zdravkovic, 2014). For example, they looked at the effects of the Mercedes-Benz transgression and found out that it had a significant impact on Germany's micro country image, however not its macro country image (Magnusson, Krishan, Westjohn & Zdravkovic, 2014). Magnusson, Krishan, Westjohn, and Zdravkovic (2014) further point out that the level of such negative spillover effects is highly influenced by how much CI image is developed. As a result, Pappu, Quester, and Cooksey (2007) suggest that even though, traditionally, the focus of the marketers has been on developing a reputation of the country for product quality, they need to take a step further and focus on managing the image on the country on a micro level as well.

Nevertheless, managers should bear in mind that COO can be an asset but also a liability, which means that consumer perceptions can go both ways. Negative publicity about the country in general, as well as the country's products also affects the product-country image. Consumers might avoid products from a particular country. Thus they may be prepared to spend more on products that originate from countries with fewer reports of dangerous or defective products, especially if it concerns product categories that are consumed (Drozdenko & Jensen, 2009).

Most of the COO research has been focused on the product-centric perspective, which means that consumers buy a specific product from a given country that has a superior reputation or capabilities in a particular product category. For instance, Greece is known for yogurt and Holland for cheese. However, the COO effects are not only product-centric, but they are also brand-centric. This means that consumers associate a country's image not only with specific characteristics and capabilities associated with an industry or product category, captured mostly by PCI, but also associate a country's image with its ability to produce good brands, which is mainly captured by country image (Diamantopoulos, Schlegelmilch & Palihawadana, 2011). Hence, favorability can result from CI adequacy with PCI based on stereotype compatibility (Usunier, 2011). Magnusson, Westjohn, and Zdravkovic (2011) argue that PCI of perceived COO has a strong positive influence on brand attitude across all product categories, also pointing to the car product category, where consumers correctly guess brand origin. They also argue that PCI of the perceived COO explicitly emphasizes consumers' perception of origin. Therefore, companies avoid associations that are negative and focus on promoting positive ones (Usunier, 2011). Nevertheless, it is essential to note

that companies need to live the CI, and its values, otherwise they would face contra effect, and despite the positive CI, their products may lose credibility (Hynes, Caemmerer, Martin & Masters, 2014).

In summary, both CI (macro country image) and PCI (micro country image) have an influence on consumer perceptions of a brand from a given country (Pappu, Quester & Cooksey, 2007). However, this influence depends on the product category, for example, CI can have a stronger impact in the case of televisions, while PCI can have a stronger effect in the case of cars (Pappu, Quester & Cooksey, 2007).

1.3 The importance of product categories in determining the influence evoked by the COO

When looking at the COO effects, researchers always analyze a particular product category. Thus, it has been proven that the product categories are a critical problem when it comes to COO effects (Roth & Romeo, 1992). Furthermore, by comparing the effect influenced by the general CI on the one hand and the effect linked to some internal relation between CI and product categories, recent studies show that product categories play a notable role in determining the influence evoked by the COO (Andéhn, Gloukhovtsev & Schouten, 2016).

Drozdenko and Jensen (2009) also confirmed the previous studies that COO effects varied significantly across product categories. They looked at 11 product categories and found variance in the degree of stereotyping for each product category. They found that the range of premiums consumers are willing to pay, varied significantly between product categories, from 37 percent for athletic shoes up to 105 percent for toothpaste. They also found that consumers were willing to pay a much higher premium for products that are consumed, over those that are not and have less physical risk. Pappu, Quester, and Cooksey (2007) supported these findings and found that cars, as a product category, are more sensitive to CI than televisions. Further, he argues that this may be a result of the performance risk associated with the product, with cars being perceived as higher product-risk category than televisions. Also, he points out to the more visible nature of the cars, which as a product category is deemed to show status than a product which is less visible (Pappu, Quester & Cooksey, 2007).

1.4 The effects of COO on consumers

This section focuses on the effects of COO on consumers. It delves into consumer purchase behavior, the COO induced judgments and decision making. Furthermore, it looks at how these judgments differ between products coming from developed versus developing countries.

1.4.1 Consumer purchase behavior and COO

Consumer purchase behavior and decision making have been a focus of researchers for a very long time (Andéhn, Gloukhovtsev & Schouten, 2016). Within the context of economics, Peterson and Beach point out that in early studies, consumers were considered as rational actors, making purchasing decisions based on their utility maximization (in Andéhn, Gloukhovtsev & Schouten, 2016, p. 4). Which suggests that, given the limited budget available to consumers, when faced with choosing among two different products that have similar characteristics, and cost the same, the consumer should be utterly indifferent regarding which of the two products they should buy, as long as their utility is maximized.

However, we all know that this is not true. Hence, consumers are not always rational when making purchasing decisions, and they often buy on impulse. As a result, present-day economists focus on different models of consumer behavior, that incorporate assumptions regarding rationality, which are more realistic (Pindyck & Rubinfeld, 2009). Mainly all consumer products carry two types of information, quantitative and qualitative (Kim & Park, 2017). In most real-world choice settings when consumers make choices, they account for both the quantitative and the qualitative information (Ha, Park & Ahn, 2009). However, consumers are more likely to conduct comparison among alternatives when the product attributes are shown in numerical terms as it is easier to make comparisons between numerical attributes over qualitative attributes (Huber, 1980). This is because qualitative characteristics such as COO represent a variety of beliefs, associations, and experiences, and are more meaningful and informative for the consumer when evaluated on their own (Nowlis & Simonson, 1997). Furthermore, Kim and Park (2017) propose that the COO can have a significant influence when consumers make choices and acts as a base for the categorization of the options in the choice set.

As a result, human decision making is an extremely complex process because many factors influence it. In the literature, the focus has turned to the human emotions as a vital role in consumer decision making (Bechara, Damasio, Tranel & Damasio, 1997) which explains the complex decision-making process of humans, taking into account the constraints of the conscious processing capabilities (Andéhn, Gloukhovtsev & Schouten, 2016). Hence, the human learning and subsequent decision making encompasses both, the conscious and the unconscious system in such a way that one always guides the other (Baumeister, Masicampo & Vohs, 2011), or logical shortcuts such as the halo effects which as proposed by Han (1989) can be used as a conventional means to conceptualize how COO effects influence consumer behavior. Hence, decisions are not only a result of the continuous mind, but they are rather far more complex.

Conversely, when we look to the COO literature, overwhelming amounts of the studies are based on situations where the consumer is made to consider the implications of product

origin consciously. However, the conscious elaboration of the COO effect may not be the norm when it comes to consumption situations. There is also evidence which implies that consumers make most consumption decisions without conscious considerations. Thus, consumer decision making seems to be more of an unconscious process (Andéhn, Gloukhovtsev & Schouten, 2016).

Drozdenko and Jensen (2009) put a price value on COO effects and found that consumers were willing to pay statistically significant price premiums for products made in the USA over products made in China. Koschate-Fischer, Diamantopoulos, and Oldenkotte (2012) supported these findings and confirmed that consumers were willing to pay higher premiums for branded products originating from a country with favorable CI than otherwise. In the research process, based on the experimental treatment, they separated the respondents into two groups. One group completed the CET Scale for measuring ethnocentrism before responding to the price questions, and the other group after. The result was a willingness to pay a smaller price premium for US products. This might imply that exposing people to more ethnocentric statements makes them more sensitive to their own biases and might also imply that most of the consumption decisions are made without conscious considerations (Andéhn, Gloukhovtsev & Schouten, 2016).

Although their focus was on consumer ethnocentrism, the same can be expected when looking at the influence of national stereotypes, as an intrinsic phenomenon, which consumers may not be aware of when making purchasing decisions. Saridakis and Baltas (2016) also looked at the price related consequences of the brand origin cue with a focus on the automotive market. They found out that the COO of the brand plays a role in the determination of the price structure, arguing that the car is not just a vehicle used for transport, but a "complex bundle of tangible and intangible characteristics" (Saridakis & Baltas, 2016, p.13). As a result, the COO premium can demonstrate return on investments in a new era, where the overall quality has risen, and the intangible features can be used by the manufacturers as a strategic approach to differentiate themselves (Saridakis & Baltas, 2016).

It is also important to mention that product familiarity plays a role as well. When consumers are more familiar with the product or are involved with the product, they are more likely to associate it with a particular country, and this holds not only for products but also for countries (Usunier & Cestre, 2007). Such product–country and country–product associations serve as a frame of reference within which the processing of information and making a choice is most likely to occur (Usunier & Cestre, 2007). In contrast, when consumers are less involved with a given product, they may rely on the image of the country from with the product originates. Therefore, the COO image can be used as a salient cue based on which consumers can build their product evaluations and intentions (Josiassen & Assaf, 2010).

Furthermore, consumers show a positive bias toward developed countries relative to developing countries. They show an increased willingness to pay a higher price for products originating from developed countries (Drozdenko & Jensen, 2009). Pappu, Quester, and Cooksey (2007) support these findings. Their results indicate that Japan enjoyed a more favorable image than Malaysia and China as newly industrialized, developing countries. Sharma (2011) argues that consumers in both developed and developing countries prefer products imported from developed over developing markets. Furthermore, Western media outlets have been nurturing the attraction of the Western lifestyle, culture, and symbols. Thus consumers strongly identify with Western culture (Touzani, Fatma & Meriem, 2015). Touzani, Fatma, and Meriem (2015) also point out toward the idea of acculturation in situ, which encourages a preference for products that convey a Western lifestyle. Therefore, companies with favorable COO can have many advantages when entering developing countries' markets. This comes from the influence of their favorable COO effect on consumers in developing countries.

1.5 The national stereotypes as antecedents to COO evaluation

As discussed above, academic research has recognized the importance of COO in consumer decision making in a variety of domains (Chattalas, Takada & Kramer, 2008). However, there is a shortage of theoretically driven research addressing the national stereotypes construct and its specific contents as an antecedent of COO evaluation, despite its importance (Chattalas, Takada & Kramer, 2008). Therefore, research incorporating stereotypes, their type, and content is relatively new in the COO literature (Chattalas, Takada & Kramer, 2008). Chattalas, Takada, and Kramer (2008) further argue that the COO antecedents have received very little attention and that the lack of investigation is even more shocking when we take into consideration the strong impact that COO has on the marketplace.

1.5.1 Importance of national and country stereotypes

The research of stereotypes has been mainly a focus of the social psychologists who predominantly investigate person related stereotypes. Thus, the concept of stereotyping was initially concerned with social groups, as a result, applied to different races, genders, nationalities, and professions (Fiske, Cuddy, Glick & Xu, 2002). However, the systematic examination of stereotype use in the area of consumer research has shown a clear relevance in understanding how various marketing tools, especially advertising, influence the stereotypical judgments (Maheswaran, 1994, p. 363) such as, for example, "German cars are of good quality" and "French clothing is fashionable." Therefore, "stereotypical associations do not only apply to people, but also to every stimulus object that is ascribed to the stereotypical category" (Halkias, Davvetas & Diamantopoulos, 2016, p. 3642).

One of the main characteristics of the process of stereotyping is the allocation of group characteristics to individual members of the group simply because they belong to the particular group (Kolbl, Arslanagic-Kalajdzic & Diamantopoulos, 2018). Hence, stereotypes are cognitive associations and expectations that an individual may have regarding any societal (i.e., national) group (Fiske & Taylor, 1991), which are manifested through the perceived qualities associated with the people of a given nation, regardless of their accuracy (Schneider, 2005). For example, the stereotype that German people are disciplined and efficient most probably would have an influence every time one encounters a German person, where s/he may expect for the person to possess these characteristics (Diamantopoulos, Florack, Halkis & Palcu, 2017). Hadjimarcou and Hu (1999) connect these definitions with the COO and argue that national stereotyping leads to strong favorable or unfavorable tendencies towards products, which result from their COO.

Thus, COO links a product to an associative network of national stereotypes that are culturally shared and can have cognitive, affective, and normative connotations. Cognitively COO may be looked at as an extrinsic cue which means that consumers judge the product quality based on product-country images which encompass beliefs about country's products but also other more general characteristics such as economy, workforce, and culture. On a cognitive level, a PCI influences product characteristics such as quality, reliability safety, and performance (Adina, Gabriela & Denisa, 2015). Affirmatively, COO may be regarded as an intrinsic cue. Thus consumers might relate COO to status, identity, national pride, and past experiences while the normative aspect might be seen as "customer voting," which means that the customer may see the purchasing decisions as a vote pro or contra the policies and practices of a country (Verlegh & Steenkamp, 1999).

The above discussion implies that emotional connotations related to a particular COO can give the product a specific personality, including psychological and social traits, such as social status, specific lifestyle or power (Adina, Gabriela & Denisa, 2015). Herz and Diamantopulos (2012, p.411) backed those findings, and noted that "COO cues from a country with a functional (emotional) stereotype have a stronger impact on cognitive (affective) brand evaluations and vice versa." Thus, different stereotype factors can influence the COO effect on product evaluations, and these can vary from cognitive, affective and normative factors of national stereotypes (Verlegh & Steenkamp, 1999) to political, economic and technological factors of country stereotypes (Martin & Eroglu, 1993).

Moreover, when consumers evaluate a given product, they do not just simply consider the product's origin and compare it with established schema, but the process is somewhat more complex, and it seems that consumers tend to rely on the stereotypes connected with product origin, before relying on brand cues when the product is origin-congruous (Spielmann, 2016). Therefore, customers may likely hold stereotypical beliefs connected with product-related information, such as beliefs for manufacturer's reputation or brand name

favorableness (Maheswaran, 1994). Depending on the warmth and competence related country-specific associations, country-related affect systematically influences product evaluations, where favorable (vs. unfavorable) product stereotypes result in favorable (vs. unfavorable) product evaluations (Chen, Mathur & Maheswaran, 2014).

Furthermore, Liu and Johnson (2005, p.87) argue that country stereotypes can be activated spontaneously "by the mere presence of COO cues in the environment," and their influence on product judgments can be present even in situations where the individuals have no intent to base their decisions on COO. Hence, COO effects can occur automatically and can influence consumers' product evaluation even in situations where the consumer has no intention or control (Liu & Johnson, 2005). Diamantopoulos, Florack, Halkis, and Palcu (2017) support those findings and argue that implicit judgments on country warmth lead towards more spontaneous consumer's choice. Herz and Diamantopoulos (2012) further backed these findings and established that when exposed to COO cue, national stereotypes can be spontaneously activated, and consequently impact brand assessment, even in the absence of intentions. Once automatically activated, the exact impact of the stereotype on COO evaluation much depends on the type of stereotype that was evoked by the COO cue (Herz & Diamantopoulos, 2012). Considerable evidence also shows that warmth judgments are primary, meaning that warmth is judged before competence and as such warmth has more influence in affective and behavioral reactions, thus cognitively, people are more sensitive to stereotypical information based on warmth than to competence (Cuddy, Fiske & Glick, 2008; Fiske, Cuddy & Glick, 2007).

Predominantly, COO research observes COO cue usage as a process that depends on consumer intentions to use COO information, regarded as a conscious and controlled process. Nevertheless, the new evidence has emerged, suggesting that country related stereotypes can have a significant influence on brand evaluations regardless of the consumers' intentions (Herz & Diamantopoulos, 2012). However, Herz and Diamantopoulos (2012, p.410) demonstrate that "the mere presence of a COO cue can automatically trigger internally-stored stereotypes, which in turn impact brand evaluations and brand-related behavior." Therefore, it is vital to investigate the role of national stereotypes as an antecedent to COO effects (Chattalas, Takada & Kramer, 2008).

Previous studies have proved the consumer's reliance on stereotypes when evaluating products. Chattalas and Takada (2013) show that national stereotypes drive the effect which COO has on product characteristics. They have listed several examples proving this, and they refer to the fact that most of the consumers would point out to Germany when asked to think of a country that produces high-tech engineering products. On the other hand, if asked to point out to a country that produces high-touch fashion products, most likely consumers would not think of Germany, although Germany has good fashion brands such as Hugo Boss, Karl Lagerfeld or Jil Sander. Instead, they would, most probably, point out to Italy. Although

both countries are similar in terms of an educated workforce and socio-economic standards, consumers still have different perceptions (Chattalas & Takada, 2013). Moreover, Liu and Johnson (2005) argue that the country stereotype can alter evaluations of a brand, even in the case when the person has enough information for making an unbiased decision.

Furthermore, the COO of a product, where the consumer links a stimulus or a set of incentives to highly probable features, is very similar to the structure of person-oriented stereotypes. This means that the COO allows us to predict that the particular product will have given features, the same way as person-oriented stereotypes will enable us to predict that a group of people from a given country will have specific characteristics (Maheswaran, 1994). Therefore, the COO can create automatic influence on consumer thoughts and actions, depending on the positive or negative stereotype of product's COO (Liu & Johnson, 2005). Moreover, Suh, Hur, and Dacies (2016, p. 2728) argue that "the COO effect is generally acknowledged to surround a stereotype" and point out that culture initiatives can contribute towards modifying the stereotype image for a given country, and point out that mass communication is one of the methods that can be used to change the stereotypes.

It is important to mention that country stereotypes alone do not always impact brand-related behavior. This instead happens when there is a match between brand communications and the stereotype (Herz & Diamantopulos, 2012). Moreover, Herz and Diamantopulos (2012, p. 411) accentuate that "only when the country stereotype matches the brand communication are consumers' purchase intention and positive word-of-mouth significantly improved" and suggests that consonance between the stereotype evoked by the COO cue and the associated marketing communication is crucial in order to achieve the desired results of positive behavioral response.

As a conclusion, brand evaluations mediate the effect of COO, which implies that the impact of COO is not direct but rather indirect and channeled via consumers' brand evaluations (Herz & Diamantopulos, 2012) which are then influenced by country stereotypes (Verlegh & Steenkamp, 1999; Chen, Mathur & Maheswaran, 2014; Chattalas, 2015; Herz & Diamantopulos, 2017).

1.5.2 National stereotyping effects on expectations of product properties/brand perception

The above discussion has demonstrated that consumers see country image stereotypes as relevant information, which they use consciously or unconsciously when evaluating products (Xie, Chen, Zhang & Cui, 2018). Chattalas and Takada (2013) show that stereotype contents, such as warmth and competence perceptions of a nation's' people influence consumer expectations of products. The warmth and competence dimensions are used to categorize and judge groups (Fiske, Xu, Cuddy & Glick, 1999).

Xie, Chen, Zhang, and Cui (2018) found that the participants in their study used country image stereotypes to simplify their decision process. Thus, the expectations regarding a given product, based on stereotypes may suggest specific product characteristics such as product quality, craftsmanship as well as price (Chattalas & Takada, 2013). Therefore, the quality of the relationship that a consumer develops with a brand can be determined by the stereotype that the consumer has developed towards that brand (Japutra, Molinillo & Wang, 2018). As a result, consumers may expect that French perfumes are sensual, Italian shoes are made from exclusive materials, and Korean cars are inexpensive (Chattalas & Takada, 2013). Furthermore, Chattalas and Takada (2013) argue that the national stereotypes may drive given expectations for the product that are connected with it's COO, that is the perceptions of warmth and competence of the national origin. Also, Chen, Mathur, and Maheswaran (2014) support these arguments and note that depending on the content (warmth or competence), country-related affect can influence product evaluations indirectly by influencing the product evaluation process, or directly in a valence-consistent manner.

By focusing on perceived warmth versus competence dimensions of national stereotypes, Chattalas (2015) explained what the reason behind certain product categories being strongly associated with particular countries is. One of the examples pointed in the Chattalas's (2015) study is that consumers do not associate perfumes with Germany as a result of the national stereotype that Germans are competent but not warm, which mismatches the consumer expectation of what is needed in the production of hedonic products, such as perfumes. Some researchers have argued that the competence dimension is expected to have a stronger influence on consumer perceptions. Chen, Mathur, and Maheswaran (2014) discuss that country related affect based on competence (vs. warmth) has a direct effect on the product evaluations in a valence-consistent manner, as a result of competence being content with greater perceived relevance for product evaluations. On the other hand, they found warmth-related country associations almost nondiagnostic as a basis of product evaluation.

However, Diamantopoulos, Florack, Halkis, and Palcu (2017) disagree with these findings. They argue that despite the strong influence of the competence dimension, it does not mean warmth judgments are not relevant in influencing consumer behavior, although, they found that explicit and implicit judgments of competence, unlike warmth, result in a more positive assessment of the brand, which results in greater purchase likelihood. Moreover, Chattalas and Takada (2013) found that the perception of warmth for a given country is also significant and influences consumer expectations, especially when they make purchasing decisions for hedonic products.

Chattalas (2015) supported those findings and found that despite the fact that competence is expected to have more influence on consumer perceptions, because of its influence of the quality component of the products, warmth plays an important role as well, especially in contexts in which warmth is important to consumers, particularly, when consumers are

making purchasing decisions for hedonic products. They found that increases in perceived warmth influenced the stronger purchase likelihood of the product only when the associated advertisement highlighted the products hedonic characteristics (Chattalas, 2015). Consequently, when it comes to producing pleasurable and hedonic products, nations would be better off if they have citizens that are perceived as warm and friendly (Chattalas, 2015).

Furthermore, the relative importance of warmth and competence depends on the type of decision making context. In situations where consumers make their choices deliberately, the explicit judgments of the competence dimension mainly influence the choice, whereas, in cases where consumers make their choices spontaneously, only the implicit warmth dimension can predict the final outcome (Diamantopoulos, Florack, Halkis & Palcu, 2017). In conclusion, Diamantopoulos, Florack, Halkis, and Palcu (2017) findings assert that the implicit stereotype judgments play a more prominent role when making spontaneous decisions, while, the explicit stereotype judgments play a more prominent role when making deliberate decisions. Bernritter, Verlegh, and Smit (2016) also support these findings. They examined the likelihood of a consumer to endorse the brand on social media and found that the high degree of warmth had a positive effect, while the brand's competence had no significant impact. They also showed that the high level of brand symbolism increases consumers intentions to endorse the brand positively online.

Many MNCs today have altered their portfolios in favor of global brands as means of building more competitive strengths, since the higher perceived globalness results in greater perceived quality, prestige, and purchase likelihood (Steenkamp, Alden & Batra, 2003). Therefore, it would be beneficial to note that country stereotypes are much more important for global brands, as they do not significantly affect local brands. Thus, companies can take this into account when developing their promotional and communication strategies.

However, it should be noted that this is much more effective when warmth judgments dominate the content of the COO stereotype since warmth has played a more significant role than competence in the aim to stimulate and maintain consumer brand identification (Kolbl, Arslanagic-Kalajdzic & Diamantopoulos, 2018). This means that the positioning of the global brands coming from stereotypically "warm" countries such as Spain and Italy might have more benefits than those brands coming from stereotypically "competent" countries (Halkis, Davvetas & Diamantopoulos, 2016).

Halkis, Davvetas, and Diamantopoulos (2016) also support the findings that country stereotypes affect global brands. Furthermore, they add that local brands seem to be unaffected by country stereotypes. This argument implies that global brands can benefit from localness associations, regardless of the stereotype content that consumers hold for the origin of the brand. However, they also found that localness has a significantly stronger effect. They suggest that even global brands can highly benefit from developing links with the local

community and show honest effort to adapt to local consumers. Honda is an example of implementing this strategy. Honda has a long-lasting investment in US-base sourcing, manufacturing, and R&D, thus used this to promote itself as a growth engine for the American economy.

In summary, favorable country stereotypes result in more positive responses towards a given brand, which "subsequently translate into higher purchase intentions" (Halkis, Davvetas & Diamantopoulos, 2016, p.3627). Consequently, in their manufacturing, sourcing, investment, and marketing strategies, the national and multinational corporations often incorporate national stereotypes (Chattalas, Takada & Kramer, 2008).

1.6 Stereotype Content Model

Stereotype content model (hereinafter SCM) advanced by Fiske and Taylor (1991) explains the content of stereotypes. The model focuses on exploring the dimensions used to judge groups. The key aspects underlying such judgments according to SCM are warmth and competence (Fiske, Cuddy, Glick & Xu, 2002), predicted, respectively, by competition and status (Cuddy, Fiske & Glick, 2008). Moreover, Fiske, Cuddy, and Glick (2007) argue that in situations of spontaneous interpretation, warmth and competence form a base on which people form impressions of others, that almost entirely account for how they criticize others.

The SCM asserts that through the dimensions of competence and warmth, the national stereotypes can describe characteristics associated with a group of people (Motsi, 2016). The dimension of warmth includes helpfulness, sincerity, friendliness, and trustworthiness, and the dimension of competence includes efficiency, intelligence, conscientiousness, and skill (Kervyn, Fiske & Malone, 2012). Combinations of both dimensions generate emotions of admiration, envy, pity, and disgust (Cuddy, Fiske & Glick, 2008).

Fiske, Cuddy, Glick, and Xu (2002) argue that status and competition are two variables that predict dimensions of stereotypes where status predicts competence and competition predicts warmth (Fiske, Cuddy, Glick & Xu, 2002). Furthermore, Fiske, Cuddy, Glick, and Xu (2002, p.888) found out that "Out-groups are perceived as competent to the extent that they are perceived as powerful and high status or as incompetent to the extent that they are perceived as powerless and low status; out-groups are seen as relatively warm and nice to the extent that they are perceived as not competing with the mainstream in-group."

Fiske, Cuddy, Glick, and Xu (2002, p.887) confirmed their hypothesis that many stereotypes include mixed competence and warmth, where they define mixed stereotypes as "low ratings on one dimension coupled with high ratings on the other." Therefore, they argue that a considerable number of out-group stereotypes prove high on competence but low on warmth and vise versa.

Social psychologists have proposed, tested, and validated SCM (Fiske, Cuddy, Glick & Xu, 2002; Fiske, Cuddy & Glick, 2007; Russell & Fiske, 2008; Fiske, 2018). Furthermore, international marketing researchers have adopted SCM as a useful and important tool in the examination of COO effects. In their literature review, Chattalas, Takada, and Kramer (2008) suggest that SCM is relevant to the examination of COO perceptions and propose that the dimensions of perceived warmth and competence, as two independent and continuous dimensions, influence COO effects. Furthermore, Halkis, Davvetas, and Diamantopoulos (2016) argue that SCM is a valid theoretical framework and can be effectively used to study COO effects across different consumer contexts. Thus it can effectively capture COO.

Furthermore, Motsi (2016) suggests that using the SCM can be beneficial in understanding how the antecedents of CI and PCI respectively are made within the context of group relations and stereotypes. Chattalas, Takada, and Kramer (2008) propose that the SCM, as a major theoretical advance, is a valuable tool that can be used in exploring the relationship between national stereotypes and COO-based evaluations. Furthermore, Diamantopoulos, Florack, Halkis, and Palcu (2017) assessed the predictive validity of the SCM by using both explicit and implicit measures of country stereotypes and found full dissociation between both SCM dimensions, competence, and warmth, indicating that competence has a stronger effect on the brand perceptions. Cuddy and others (2009) have applied SCM to the perception of countries and measured how Europeans perceive different countries of the EU. In their study, they found that Germany was rated as competent but cold, whereas Portugal, which was ranked as warm but incompetent.

As a result of the above discussion, we can confirm that SCM, or more specifically, the dimensions of warmth and competence provide a robust model of social perceptions that can be applied across cultures, and a variety of social targets. It can be used as a simple and useful tool to map a given social world from person-related perceptions to entire countries (Kervyn, Fiske & Malone, 2012). Kervyn, Fiske, and Malone (2012, p. 6) further assert that the SCM can "focus on one specific social object and identify the content of the stereotype associated with it."

Additionally, by using the Brands as Intentional Agents Framework (BIAF), Kervyn, Fiske, and Malone (2012) found that consumers perceive, feel and behave towards brands in a very similar way as the way they interact with other people and social groups. Therefore, if brands want to position themselves with reference to a particular COO, they can take advantage of the effects of the product ethnicity (Usunier & Cestre, 2007) or build positive CI (Han, 1989). Chattalas, Takada, and Kramer (2008) argue that SCM is a useful tool which can be used to assess how brands can capitalize on stereotypical country beliefs. Thus, it is beneficial when

researching and analyzing the relationship between national stereotypes and COO based evaluations (Chattalas, Takada & Kramer, 2008).

The SCM postulates that when people make judgments about a target, they are either warm or competent, and such judgments can form the basis for positive or negative affect evoked by the stereotype (Fiske, Cuddy & Glick, 2007). Furthermore, Chen, Mathur, and Maheswaran (2014) examined the effect of country-related affect on product evaluations and found that country related affect is generated when consumers process information which is integral to the COO and related to the country from which the product originates. Moreover, they assert that warmth and competence country associations create the country related affect. Kervyn, Fiske, and Malone (2012) argue that in the literature on brand perception, many concepts may be interpreted as fitting elements of SCM. Kervyn, Fiske, and Malone (2012) point towards the performance features of brands, such as quality, reliability, durability, and consistency which represent brand's competence, however on the other hand there are also features that represent warmth such as brand love (Ahuvia, 2005) and brand passion (Albert, Merunka & Valette-Florence, 2013).

1.6.1 Perceptions of Competence versus Warmth

As discussed above, the SCM decomposes the national stereotypes in two dimensions, competence and warmth (Fiske & Taylor, 1991; Fiske, Cuddy, Glick & Xu, 2002), which going beyond the SCM, closely resemble communion and agency (Cuddy, Fiske & Glick, 2008), which also underline individual person perceptions (Kervyn, Fiske & Malone, 2012). However, although communion closely resembles warmth, agency does not entirely resemble competence, since agency focuses more on taking effective action (Cuddy, Fiske & Glick, 2008). Even though agency and communion have also been studied (Ybarra and others, 2008), Cuddy, Fiske, and Glick (2008) suggest that the use of warmth and competence is preferred over agency and communion. The reason for this is because competence entails the possession of skills, talents, and capability, but it can take the form of action, unlike agency which, as mentioned before, is more focused only on taking effective action. Nevertheless, Cuddy, Fiske, and Glick (2008) view the terms warmth and competence closely related to communion and agency.

When people first meet a person or a group, they want to know their intent towards them, and how trustworthy they can be, this resembles the warmth dimension (Fiske, Cuddy, Glick & Xu, 2002). This is fundamental because intent predicts behavior (Fiske, 2018). Secondly, people want to know if the person or the group are capable of enacting that intent, which resembles the competence dimension (Fiske, Cuddy, Glick & Xu, 2002). Therefore, Fiske, Cuddy, Glick, and Xu (2002) define perceived competence as target group's (i.e., COO) perceived ability to be successful in tasks and have high status, to be competent, confident, independent, competitive and intelligent. Therefore, the competence dimension reflects

treats such as perceived ability, including intelligence, skill, creativity, and efficiency (Fiske, Cuddy & Glick, 2007). On other note, perceived warmth is the target group's (i.e., COO) socio-emotional orientation towards others, where the society views members of the group as tolerant, warm, good-natured and sincere (Fiske, Cuddy, Glick & Xu, 2002). Therefore, the perceived warmth captures threats such as perceived intent, including friendliness, helpfulness, sincerity, trustworthiness, and morality (Fiske, Cuddy & Glick, 2007).

Furthermore, economically powerful groups are stereotypically rated as competent, while those countries that cannot present a competitive threat are stereotypically related as warm (Chattalas, 2015). A good example of a country that is perceived as competent is Germany. When one thinks of German products, high-tech engineering products come to mind, and not fashion ones (Chattalas, 2015). On the other hand, a good example of a warm country would be Italy. When one thinks of Italian products, more pleasurable or sensual products come to mind (Chattalas, 2015). Therefore, the first principle of SCM is that perceived warmth and competence underlie and differentiate group stereotypes (Cuddy, Fiske & Glick, 2008). Furthermore, SCM postulates that many groups would receive ambivalent stereotypes, meaning that there would be a positive evaluation on one dimension, while negative on the other. This means that many outgroups would be seen as warm but not competent and vise versa, although some groups would still be perceived to be both warm and competent while others would be stereotyped low on both dimensions (Cuddy, Fiske & Glick, 2008).

1.6.2 Intercultural evidence supporting the Stereotype Content Model

According to Cuddy and others (2009), SCM provides principles that highlight similarities in basic structures of intergroup relations, and this framework remains intact across cultures. Thus, the SCM plays an important role in predicting stereotype contents across cultures, and provide an insight into how groups are likely stereotyped, based on structural relations with other groups in their society. Moreover, Cuddy and others (2009) argue that applying the SCM, as a valid systematic framework across different cultures, may put in stark relief potentially important cross-cultural differences.

Several researchers have studied the ability of SCM dimensions to test their applicability across cultures. Cuddy, Fiske, and Glick (2008) tested SCM in five US studies across ten samples. They found that all the groups include high competence/low warmth and low competence/high warmth cluster. Moreover, they found that across all ten US samples the stereotypes of most groups were ambivalent; only a small minority had perceptions of high warmth and competence (low warmth and competence (Cuddy, Fiske & Glick, 2008). Cuddy, Fiske, and Glick (2008) further tested SCM in twenty non-US samples to check if the phenomenon is universal. Their test included ten European nations (Belgium, Bulgaria, France, Germany, Italy, Netherlands, Norway, Portugal, Spain, and UK), three East Asian

countries (Hong Kong, Japan, and S. Korea), three Latin American countries (Costa Rica, Dominican Republic, and Mexico), and two Israeli samples (Jewish and Muslim). They proved that perceived warmth and competence universally differentiate stereotypes, and they confirmed the claim that many outgroups receive ambivalent stereotypes.

Furthermore, Cuddy and others (2009) studied the applicability of SCM in seven European and three Asian nations. They demonstrated that in all countries, perceptions regarding warmth and competence spread out across the two dimensions on SCM. They concluded that the studies from all the non-US nations support the SCM. Hence, their findings indicate that SCM stereotyping principles are similar across cultures (Cuddy and others, 2009). These findings are also supported by Fiske, Cuddy, and Glick (2007, p. 82), who concluded that "warmth and competence are reliably universal dimensions of social judgment across stimuli, cultures and time." As a result, Cuddy and others (2009, p. 3) claim that "SCM can be used as a pancultural measure of differences across cultures."

1.6.3 National stereotypes and perceptions of competence and warmth

As discussed previously, researchers have supported the findings that consumers express positive bias towards products originating from developed countries and they are willing to pay a price premium for products from a developed country, especially if it falls under the category of products that they consume. Also if we take into consideration the technical products, consumers quality perceptions for high-tech products might be more favorable for products originating from developed countries, since there may be assumptions among the consumers that production of such products requires a well-educated workforce (Bilkey & Nes, 1982). However, developed countries also face a challenge of different perceptions of their products, where some may be better off and some worse off when it comes to consumer product perceptions. If we look at, for example, Germany and Italy, they are both developed countries, but consumer expectations for the products from both countries may differ. The different expectations may be based on national stereotypes and their contents.

Chattalas (2015) looked at the national stereotypes on consumer expectations and purchase likelihood based on competent versus warm countries of origin. In his empirical research, he concluded that "national stereotypes, that is, perceptions of the warmth and competence of a nation's people, significantly influence consumer expectations and purchase likelihood" Chattalas (2015, p. 10). Consequently, he further demonstrated that the differences in national stereotypes associated with its people influenced consumer expectations about the different types of products originating from that nation and showed not only why COO is important, but also what drives it (Chattalas, 2015, p.10). Moreover, national stereotypes grounded in the dimensions of warmth and competence can have a strong influence on consumer behavior, retail strategy, and marketers' bottom line (Chattalas, 2015).

Furthermore, Chattalas and Takada (2013, p. 88) argue that the perceptions of warmth and competence have a significant influence on consumer expectations for hedonic and utilitarian products. Therefore, they assert that "warmth and competence consumer perceptions of nations mediate the effect of country-of-origin (COO) on hedonic and utilitarian product expectations, respectively" (Chattalas & Takada, 2013, p. 88).

Barbarossa, Plesmacker, and Moons (2018) looked into the effects of COO stereotypes on consumers' responses to product-harm crisis and found a significant impact of the COO stereotypes of competence and warmth during a product-harm crisis. COO competence leads to more positive attitudes towards the company's products, and this effect increases, especially in cases where the company sells products that are utilitarian or high-involvement. Conversely, the warmth dimension leads to more positive attitudes toward the company's products, both directly and indirectly, by diminishing the blame attributes, therefore, as a result, the warmth dimension is of great importance when there is high level of ethnocentrism or animosity amongst consumers (Barbarossa, Plesmacker & Moons, 2018). Furthermore, Bauer, Johnson, and Singh (2018, p. 764) state that "stereotype-consistent messaging is related to increased fit perceptions between the brand and the advertisement." Bauer, Johnson, and Singh (2018) further argue that the fit perceived among consumers is stronger when a warm-place brand stereotype is paired with a symbolic appeal and on the contrary when a competent-brand stereotype is paired with a utilitarian appeal.

1.7 The importance of COO for car brands

In the automobile market, consumers have a wide variety of choices. In Europe, there are 50 brands which originate from 12 countries (Saridakis & Baltas, 2016). Historically, the world car market has been dominated by manufacturers in developed countries which firstly focused on serving their home markets and then looked for foreign investment opportunities in other developed and later on also in developing markets. However, in recent years, important players from the newly industrialized countries such as South Korea and developing countries such as Brazil, China, Russia, and India have entered the world car market (Fetscherin & Toncar, 2010).

If we take a look at China, according to the International Organization of Motor Vehicle Manufacturers (OICA) for 2018, China is leading car producer in the world, and it produced 23.529.423 cars and 4.279.773 commercial vehicles totaling to 27.809.196. China's car production is almost three times higher than the production of the second largest manufacturer in the world, Japan. China has also undertaken FDIs, for example, in 2005, Chinese Automotive Company Nanjing Automobile Group acquired MG Rover, and in 2009 Sichuan Tengzhong Heavy Industrial Machinery acquired the Hummer division of General Motors (Fetscherin & Toncar, 2010). Furthermore, GM, Chrysler, and Ford have entered into joint ventures with Chinese manufacturers and are currently producing cars in China

(Fetscherin & Toncar, 2010). Also, in 2010, Zhejiang Geely, parent of Hong Kong-listed Geely Automobile Holdings Ltd acquired Ford Motor Co's (F.N) Volvo unit (Leung & Yan, 2010).

In their study, Fetscherin and Toncar (2010) found that the location of the manufacturing site is important consideration for consumers in developing their perceptions as the subjects in their study perceived a stronger brand personality for a car brand from developed country manufactured in a developed country, than a car brand from developed country manufactured in a developing country. As a result, Fetscherin and Toncar (2010) argue that automakers form the developed countries need to carefully assess their decisions of outsourcing their production to developing countries, especially if they plan to export the cars in developed countries. However, in his research, the respondents are being told where a particular brand has manufacturing operations.

Therefore, we need to take into consideration the previous discussion, that consumers will not always assign the correct country to a given brand, and they usually look at the brand country of origin over the country of manufacturing. As a result, we have to distinguish brand evaluations according to their correct or incorrect classification (Usunier, 2011). Diamantopoulos and Balabanis (2008, p.60) argue that "the majority of consumers either assign the wrong COO to the brands involved or are simply unable to assign any COO." As a result, the brand recognition can be inaccurate and lead to confused perceptions of some product categories, mostly because companies can design their brands in such a way that the brand would facilitate favorable origin recognition (Usunier, 2011).

Magnusson, Westjohn, and Zdravkovic (2011) investigated the brand origin perception across different product categories and found that the highest rates of provided correct brand classification were for automobile brands. Nevertheless, the question is how much consumers know the COM of these brands, and how much effort they put in finding out where the car is being manufactured. Let's look at, for instance, Volkswagen. Volkswagen has manufacturing plants in thirteen countries (Argentina, Brasil, USA, Mexico, S. Africa, India, China, Russia, Portugal, Spain, Bosnia, Poland, and Germany) (Volkswagen AG, 2019). However, most consumers would still associate Volkswagen with Germany, regardless of where the car (or its parts) was (were) manufactured.

However, it should be noted that academic researchers imply that in their actual car purchases, consumers in both, emerging and developed markets, preferred cars imported from the developed over the developing countries (Sharma, 2011). Häubl (1996) investigated how consumers react when a good known car brand, Mercedes, moved its manufacturing in low wage country, mainly the Czech Republic with a somewhat unfavorable "made-in" image. His findings indicate that the country of manufacturing of the car has a significant influence on consumer perception of the various features of the cars as well as on the

evaluation of the car as a whole. Therefore, he suggests that car companies should investigate consumers' perceptions of the relevant countries thoroughly because the influence of the country of manufacturing can be strong even in the case of a powerful brand name. Sourcing production or producing in less developed countries is equally harmful to both strong and weak brands (Chu, Chang, Chen & Wang, 2010). Chu, Chang, Chen, and Wang (2010) argue that if the transfer of production in a developing country is critical and unavoidable for the company to achieve cost advantage, designing adequate marketing programs is crucial to avoid and manage the possible negative impact of unfavorable manufacturing countries.

Chinen, Sun, and Ito (2014) assert that CI has a significant influence on consumer willingness to purchase a car. He discovered that there had been a consensus among their US respondents that Japan and Germany are capable of producing and delivering good quality cars. This assertion may suggest that the COO is important for consumers. Conclusively, the understanding of national stereotypes can be quite meaningful to marketing managers in order to manage their car brands successfully, and overcome the challenges stemming from the multinational environment.

2 METHODOLOGY EMPIRICAL STUDY OF THE NATIONAL STEREOTYPES AS DRIVERS OF COO EFFECTS IN NORTH MACEDONIA

In this chapter, I discuss the empirical part of my research by providing information regarding the research setting, participants, materials, and procedures undertaken. In doing so, I aim to provide sufficient information, so the reader can judge the reliability and validity of the methods that I used and trustworthiness of my findings.

Chapter one brought to bear the importance of national stereotypes as antecedents of COO effects, and the lack of investigation in the literature (Chattalas & Takada, 2013; Chattalas, Takada & Kramer, 2008; Gartner, 2011). Also, all studies performed on the subject are done with a focus on particular countries and product categories, however, the results of those studies may not be generalizable to other countries, because the focus on SCM is on how groups view out-groups in relation to the position occupied by the in-group (Motsi, 2009). Therefore, consumers from different countries may have a different view on competence and warmth stereotype.

Consequently, there is a need of replicative and extension studies in the literature. To address this need in the literature, I investigated the influence of national stereotypes by using a sample of North Macedonian consumers. Thereby I added up to the existing literature by extending this avenue of COO research on a cross-cultural basis. Thus, I addressed the

concerns raised in the literature regarding the lack of investigation of the important impact of national stereotypes on COO effects (Chattalas & Takada, 2013; Chattalas, Takada & Kramer, 2008; Gartner, 2011).

The Republic of North Macedonia is a country in the Balkan Peninsula in Southeast Europe, with a population of approximately 2 million. It is an emerging market, which, over the past two decades, made significant progress toward free-market policies and reforming its economy. It is a country highly integrated into international trade, where many foreign brands sell their products. However, due to its small size, it does not draw a lot of research attention. As a result, this study would be first of its kind applied in the Republic of North Macedonia.

In this study, I focused on the cars as a product category to examine the presence of the national stereotypes in North Macedonia and how they underline the country-of-origin effects. As previously discussed, Pappu, Quester, and Cooksey (2007) argue that cars as a product category are more sensitive to CI than, for example, televisions. This is due to the more visible nature of cars, which as a product category is deemed to show status. Hence, cars are a relatively ubiquitous product and a product which students are familiar with, especially taking into account that North Macedonia is a country where people see cars as a status symbol.

To choose the countries assessed by the respondents, I looked at the best selling car models in North Macedonia and found that Dacia Duster, VW Golf and Kia Sportage were the top three best selling cars in North Macedonia (bestsellingcarsblog, January 31, 2018). Therefore, initially, I decided to use the countries where these models originated from, that is, Romania, Germany, and South Korea, respectively. Secondly, as a matter of assurance, I conducted a pretest of the questionnaire to finally select the countries which would be appropriate to use in this study. I used a convenience sample of 20 respondents, who were asked to fill the questionnaire first, and then provide insights into difficulties they faced while answering the questions. That is, once the respondents answered all questions and completed the survey, I conducted a discussion with each respondent. The majority of the respondents reported that they had difficulties answering the questions concerning Romania and South Korea, mainly because they were not very familiar with these countries.

Consequently, when I examined the answers of the questionnaire, I found that South Korea and Romania received mainly “don’t know” responses, while Germany did not. Finally, during the discussion, I asked the respondents to identify which countries came to mind when discussing car brands and if they are familiar with these countries with respect to the questions provided in the questionnaire. The top three countries suggested by the respondents were Germany, France, and Japan. As a result, I chose these countries for further analysis.

Following the aforementioned, the empirical part of my thesis focuses on an empirical examination of the automobile market in North Macedonia with an aim to investigate how national stereotypes drive COO effects. Therefore, **the purpose** of my empirical work is to investigate how national stereotypes underline COO effects by using SCM (i.e., a model that represents a major theoretical advance on the study of COO contents (Chattalas, Takada & Kramer, 2008). In line with this purpose, I focus on the relationship between the stereotypes on the one hand and country image and product-country image on the other.

The objectives of the present study and empirical research are the following:

1. To identify the presence of national stereotypes among North Macedonian consumers.
2. To empirically test whether national stereotypes (warmth and competence) affect COO.
3. To examine the effects of national stereotypes (warmth & competence) on general CI and PCI.
4. To compare whether the dimensions of warmth and competence vary among different countries.
5. To determine the influence of national stereotypes as drivers of COO effects amid North Macedonian consumers.

To achieve these objectives, I utilized a quantitative research design, where I examined relationships between variables which were measured numerically, and analyzed them by using a range of statistical techniques. I employed a deductive approach, where I focused on using data to test the theory. As a means of collecting primary data, I conducted a survey research strategy, through the use of questionnaires. The survey research strategy allows for the collection of standardized data from a sizable population. It is an economical instrument of collecting data, enabling easy comparison. Hence, it is a useful mechanism for collecting quantitative data, which can be analyzed using descriptive and inferential statistics (Saunders, Lewis & Thornhill, 2012). As a result, I defined this approach as the most appropriate for testing the set hypothesis.

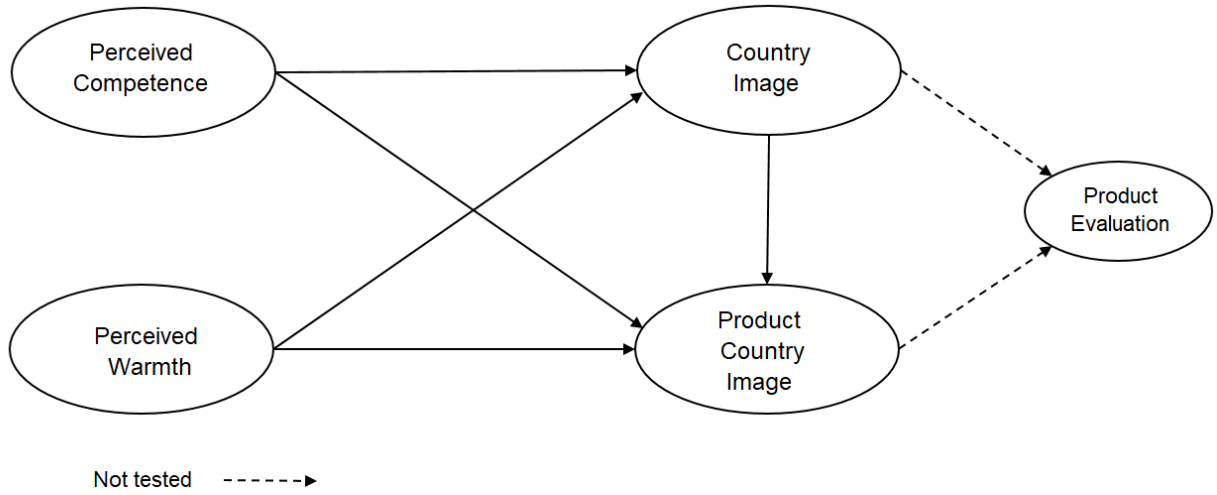
The questionnaire is composed of three main parts, where respondents were asked to assess a group of statements on a 5-point Likert scale and 5-point semantic differential scale. The first part focused on national country stereotypes, where a separate group of statements was dedicated to the competence dimension, and the warmth dimension, respectively. The second part of the questionnaire focused on the general country image, and the last part focused on the product country image. Besides the main parts, the survey incorporated a screening question at the beginning, a question dealing with brand origin recognition, and a group of demographic questions at the end.

2.1 Conceptual model and research hypotheses

While conducting this study, I utilized a deductive approach. I started with reading the academic literature, which helped me develop a set of research hypotheses. Furthermore, based on the literature, I derived the conceptual model of the study. I derived the conceptual model from a previous work by Motsi (2016), which focuses on the influence of national stereotypes on country image and product-country image (see Appendix B).

Furthermore, I adjusted and simplified the model by excluding the moderator variables, which are not relevant to the objectives of this study. The excluded variables are: (i) Consumer ethnocentrism, (ii) consumer susceptibility to interpersonal influence, (iii) national identity, (iv) extraversion and (v) product evaluation. The conceptual model depicting the relationships among the constructs in this study is presented in Figure 1.

Figure 1. Conceptual model



Adapted from Motsi (2016).

Based on the conceptual model presented above, and the literature review, I developed a set of hypotheses. All hypotheses are consistent with my research questions outlined earlier. Next, I discuss the hypotheses development process.

2.2 Hypotheses development

In chapter 1, by quoting the CI definition provided by Martin and Eroglu (1993), which states that CI encompasses all beliefs one has about a particular country, we were able to anticipate that CI is not domain-specific and it represents a wide range of images (Motsi, 2016). Therefore, some of them may affect product evaluation by consumers. However, some may be irrelevant. Nonetheless, we were also able to see that some researchers combine CI and PCI under an umbrella construct. However, Motsi (2016) noted that the decomposed model,

i.e., separation of CI and PCI addressed the weakness of earlier COO research, and thus, he argues that the concept of CI is distinct from PCI (Motsi, 2016). Therefore, researchers need to make a clear distinction between the two, mainly because it is difficult to know if, when responding to COO evaluations, consumers respond to the country itself or use pre-existing knowledge about its products (Motsi, 2016, p.4). As a result, in this study, there are two sets of hypothesis, one focusing on the relationships concerning CI and the other focuses on the relationships concerning PCI.

The proposed model shows that perceived competence influences the country image. As previously discussed in the literature review chapter, the stereotype content model asserts that through the dimensions of competence and warmth, the national stereotypes can describe characteristics associated with a group of people (Motsi, 2016). It was also presented that the dimension of competence includes efficiency, intelligence, conscientiousness, and skill (Kervyn, Fiske & Malone, 2012). Which, I believe, are important factors when one assesses the socio-economic position of a particular country. Therefore, I expect that the higher level of positive competence stereotype characteristics, associated with a higher level of positive socio-economic aspects, such as the standard of living, level of technological research, and developed economy, would lead to a positive relationship. Therefore, I set the following hypothesis:

H1a: Perceived competence is positively related to the general country image (CI).

Furthermore, the conceptual model proposed that perceived competence influences PCI. PCI is defined as "place related images with which buyers may associate a product" (Papadopoulos & Heslop, 2003, p. 404). Moreover, Fiske, Cuddy, Glick, and Xu (2002), define perceived competence as target group's (i.e., COO) perceived ability to be successful in tasks and have high status, to be competent, confident, independent, competitive and intelligent. Therefore, the competence dimension reflects treats such as perceived ability, including intelligence, skill, creativity, and efficacy (Fiske, Cuddy & Glick, 2007), which entail the possession of skills, talents, and capability (Cuddy, Fiske & Glick, 2008). All these features can be extended to the evaluation of the country's ability to produce high-quality products. Hence, the competence stereotype may be extended to the evaluation of the products associated with a particular country (Motsi, 2016). Therefore, I expect that the higher level of positive competence stereotype characteristics, associated with a higher level of positive perceptions about the country with regard to producing appealing products, in terms of innovativeness, design, prestige, and workmanship, would lead to a positive relationship. Therefore, I hypothesize that:

H1b: Perceived competence is positively related to the product-country image (PCI).

Furthermore, the conceptual model shows that perceived warmth influences CI. As noted in chapter one, human decision making is an extremely complex process. Therefore, the literature has turned its focus to human emotions as a vital role in consumer decision making (Bechara, Damasio, Tranel & Damasio, 1997) to explain this complex process. The perceived warmth explains this matter to an extent. It resembles the affective dimension of consumer attitudes towards the people of a given nation (Chattalas, Takada & Kramer, 2008). When people first meet a person or a group, they want to know their intent towards them or the group, and how trustworthy they can be, this describes the warmth dimension (Fiske, Cuddy, Glick & Xu, 2002). As previously noted, the dimension of warmth includes helpfulness, sincerity, friendliness, and trustworthiness (Kervyn, Fiske & Malone, 2012). Hence, perceived warmth is the target group's (i.e., COO) socio-emotional orientation towards others, where the society views members of the group as tolerant, warm, good-natured and sincere (Fiske, Cuddy, Glick & Xu, 2002).

Consequently, I believe, this has an effect on the overall picture consumers would have for a particular country. Hence, I conclude that the emotional aspect plays a vital role in human decision making. The positive perception of the society of a specific country determines how much an outgroup likes a given nation and its country. Therefore, I expect that a higher level of warmth would positively influence the overall perception of the country image, which leads to the following hypothesis:

H2a: Perceived warmth is positively related to the general country image.

The conceptual model of the study depicts that perceived warmth influences product PCI. However, Motsi (2016) notes that this relationship is likely to be indirect. As presented in chapter I, Chen, Mathur, and Maheswaran (2014) argue that country related affect based on competence (vs. warmth) has a direct effect on the product evaluations, as a result of competence being a content with greater perceived relevance for product evaluations, while they found warmth-related country associations almost nondiagnostic as a basis of product evaluation. Therefore, we can conclude that competence leads to more positive attitudes towards the company's products. This conclusion is understandable since PCI represents the quality or lack thereof of products originating from a particular country (Motsi, 2016), and as noted in the previous discussion the competence dimension features can be extended to the evaluation of the country in terms of its capability to produce high-quality products.

However, Chattalas and Takada (2013) found that the perception of warmth for a given country is also significant and influences consumer expectations. Although competence is expected to have more influence on consumer perceptions, as a result of its impact on the quality component of the products, warmth plays a meaningful role as well (Chattalas, 2015). The relative importance of warmth and competence depends on the type of decision making context. In situations where consumers make their choices deliberately, the explicit

judgments of the competence dimension mainly influence the choice, whereas, in cases where consumers make their choices spontaneously, only the implicit warmth dimension can predict the final outcome (Diamantopoulos, Florack, Halkis & Palcu, 2017). Therefore, based on the arguments presented in the literature, which suggest the warmth dimension plays a role implicitly when consumers make decisions spontaneously, I do not expect a direct relationship between warmth and PCI and expect this relationship to be indirect. Therefore, I hypothesize that:

H2b: The relationship between perceived warmth and PCI is mediated through CI.

As discussed in chapter one, some of the researches make a distinction between CI and PCI, and some use CI as an umbrella term incorporating both constructs (Motsi, 2016). In this study, I decided to take into consideration Motsi's (2016) argument that the concept of CI is distinct from PCI, and his note that the decomposed model, i.e., separation of the CI and PCI addressed the weakness of earlier COO research.

However, as Andéhn, Gloukhovtsev, and Schouten (2016) noted, CI seems to influence consumer judgments based on its attributed meaning, ranging from what is general to what is relevant to a particular matter only for the specific context of evaluation. Therefore, even though, we distinct among two constructs, the socio-economic aspects, such as, standard of living, level of technological research, development of the economy, and level of industrialization, have a significant influence of how consumers perceive the products of a given country, mainly, because they signal and give prediction about the country's capability of developing good products. Therefore, I hypothesize that:

H3: Country image (CI) is positively related to the product-country image (PCI).

2.3 Operationalization of variables

In this study, I examine four primary constructs: competence, warmth, country image (CI), and product-country image (PCI). For measuring the constructs, I adopted previously used and validated scales. As previously discussed, the questionnaire is composed of three different parts. The first part encompasses statements measuring the first two constructs (competence and warmth), the second part is composed of statements measuring the third construct (CI), and the last part is composed of statements measuring the fourth construct (PCI).

The scale for measuring perceived *competence and warmth* was proposed and validated by Fiske, Cuddy, Glick, and Xu (2002). The scale is still a valid measure of national stereotypes, and it has been used and validated in recent studies using the Stereotype Content Model (SCM). Cuddy and others. (2009), Maher and Carter (2011), Diamantopoulos, Florack,

Halkis, and Palcu (2017), Fiske (2018) used the scale in their studies. The original scales consist of 6 items. However, I decided to measure the constructs with four items. The four-item scale was previously used by Diamantopoulos, Florack, Halkis, and Palcu (2017). I adopted the items from the original scale and modified them to capture the context of this study. The original scale measuring *competence* incorporates the items competent, confident, capable, efficient, intelligent, and skillful. For this study, I excluded the items confident and skillful. Thus, the scale that I used in the study consists of 4 items: competent, capable, efficient, and intelligent. The original scale measuring the *warmth* construct incorporates the items friendly, well-intentioned, trustworthy, warm, good-natured, and sincere. I modified this scale by excluding the trustworthy and sincere items. Therefore, the scale used in this study consists of 4 items: friendly, warm, good-natured, and well-intentioned. I present the statements used in the questionnaire in Table 1 below. I measured each of the four items that measure each of the two constructs on a 5 point Likert scale (1 - Not at all, 2 - slightly, 3 - moderately, 4 - very, 5 - extremely, 0 - Don't Know), in order to determine the presence of stereotype contents among the North Macedonian consumers.

I measured the *general country image construct* by using a scale proposed by Pappu, Quester, and Cooksey (2007), which they adapted from Martin and Eroglu (1993). Pappu, Quester, and Cooksey (2007) proposed measures for macro and micro country image. The original scale consists of 10 items. However, I excluded the items welfare system, high labor costs, civilian non-military government, and producer of high-quality products. I eliminated the first three items because, I believe, the knowledge of the respondents about these aspects of the countries might be limited. Pappu, Quester, and Cooksey (2007) excluded the fourth item based on their results of factor analysis. Therefore, I decided to exclude it from my study, as well. I kept the rest of the items. As a result, a seven-item scale was used to measure the country image construct, where participants were asked to indicate the level of (i) technological research, (ii) standard of living (iii) industrialization (iv) development of the economy (v) literacy rate, (vi) free-market system and (vii) democracy, for each of the countries by evaluating statements on a 5 point Likert scale from 1 (strongly disagree) to 5 (strongly agree). I present the scale used in the study in Table 1.

The scale for measuring *product-country image* is proposed by Roth and Romeo (1992), and in the more recent years Koschate-Fischer, Diamantopoulos, and Oldenkotte (2012), Balabanis and Diamantopoulos (2011), Magier-Łakomy and Boguszewicz-Kreft (2015) adopted the scale. The scale consists of 4 items, that is, innovation, design, prestige, and workmanship. I measured all items on a 5-point semantic differential scale where participants were asked to rate the Innovation (1 = "not innovative," and 5 = "innovative"); Design (1 = "unattractive design," and 5 = "attractive design"); Prestige (1 = "low prestige," and 5 = "high prestige"), and Workmanship (1 = "bad workmanship," and 5= "good workmanship") of the cars originating from each of the countries. Table 1 shows the operationalization of competence, warmth, CI, and PCI constructs.

Table 1. Operalization of the constructs of competence, warmth, CI, and PCI.

Item	Variable label[1]	Adopted from/ Based on
Country stereotype: Competence		
The attribute capable describes [target country]	CMT_country_1	Fiske et al., (2002)
The attribute competent describes [target country]	CMT_country_2	
The attribute efficient [target country]	CMT_country_3	
The attribute inteligent describes [target country]	CMT_country_4	
Country stereotype: Warmth		
The attribute friendly describes [target country]	WMT_country_1	Fiske et al., (2002)
The attribute good-natured describes [target country]	WMT_country_2	
The attribute kind describes [target country]	WMT_country_3	
The attribute warm describes [target country]	WMT_country_4	
Country image		
[target country] has high level of technological research	CI_country_1	Martin and Eroglu, (1993)
[target country] has high standard of living	CI_country_2	
[target country] has a high level of industrialization	CI_country_3	
[target country] has a highly developed economy	CI_country_4	
[target country] has free-market system	CI_country_5	
[target country] is democratic	CI_country_6	
[target country]has high literacy-rate	CI_country_7	
Product-country image		
How would you rate the innovativeness of [COO] cars	PCI_country_1	Roth and Romeo, (1992)
How would you rate the attractiveness of [COO] cars	PCI_country_2	
How would you rate the prestige of [COO] cars	PCI_country_3	
How would you rate the workmanship of [COO] cars	PCI_country_4	

Source: Own work.

I adopted some of the scales used in this study from somewhat old research papers. Therefore, I looked if they were still in use in the present-day literature. I found that researchers used and validated all the scales in recent studies. Please refer to Table 2, where you can find a summary of the scales proposed for the measurement of constructs. Table 2 also presents who adopted those scales in recent studies.

At the beginning of the questionnaire, I added two screening questions asking the participant if (i) they belong to the defined age group (AGE) and if (ii) they are a North Macedonian citizen (CITIZEN). The screening question was followed by a question investigating the level of brand origin recognition, where six car brands were presented, and participants were asked to write the COO of each brand. Each brand was labeled by its name. Furthermore, in the final part of the questionnaire, I asked the respondents if they own a car (OWN), drive a car which is not theirs (DRIVE) and if they are planning to buy a car until year-end (BUY). At the ending part of the questionnaire, I collected data on participants' gender (GENDER), year of birth (YEAR_BIRTH), and region of residence (REGION).

[1] Since I use the measures for three countries, all variable labels contain the abbreviation of the country, i.e., DE for Germany, FR for France and JPN for Japan. The same description applies to all country-specific variables.

Table 2. Measurement scales: use in more recent studies

Constructs		Propoesed by:	Adopted in recent studies by:
Stereotypes	**Warmth** H1a, H1b, H2a, H2b.	Fiske, Cuddy,Glick & Xu (2002)	Cuddy and others (2009) Maher and Carter (2011) Diamantopoulos, Florack, Halkis & Palcu (2017) Fiske (2018)
	Competence H1a, H1b, H2a, H2b.		
General Country Image (CI) H1a, H2a, H3a		Martin and Eroglu (1993)	Pappu, Quester & Cooksey (2007) Oberecker and Diamantopoulos (2011)
Product Country Image (PCI) H1b, H2b, H3a, H3b		Roth and Romeo (1992)	Koschate-Fischer, Diamantopoulos & Oldenkotte (2012) Balabanis and Diamantopoulos (2011) Verified by: Magier-łakomy and Boguszewicz-Kreft (2015)

Source: Own work.

2.3.1 Questionnaire design and data collection

I developed the questionnaire with the help of the relevant measurement scales. In the beginning, I introduced the questionnaire by informing the respondent why I wanted s/he to complete the survey, followed by information on the approximate duration of the questionnaire. I also emphasized that there is no right or wrong answer and assured the respondents that the survey is completely anonymous, while the data collected would be used only for the needs of this study.

The introduction was followed by a screening question, which I included, to help me reach the target population, the North Macedonian consumers. After the screening question, another question followed, where participants were randomly presented with one well-known brand from six different countries (VW, Toyota, Kia, Dacia, Ford, Citroen), and were asked to write down the COO of each of the brands. The reason for adding this question is based on the suggestion made by Diamantopoulos and Balabanis (2008, p.61) who argue that "further COO studies should adjust their research designs, so as to take the respondents' brand COO knowledge into account." Therefore, I added this question to find out to what

extent the brand recognition is correct. After these questions, the three main parts of the questionnaire follow. The first part is dedicated to examining national stereotypes (competence and warmth). The second part consists of statements that measure CI, and the third part consists of statements that measure PCI. After the three main parts, I added a question which asked participants if they own a car, if they are driving a car, and if they were planning to buy a car until year-end. This question was added to provide information about how many of the participants are involved with the product. At the very end of the questionnaire, I added some general socio-demographic questions. The questionnaire was composed of structured closed-ended questions, which I evaluated on a 5-point Likert scale, and a 5-point semantic differential scale.

Initially, I developed the survey in English. However, I conducted the research in North Macedonia. Therefore, I translated it to Macedonian. To assess if the translation was done correctly, confirm its authenticity, and if it measures the constructs, it was intended to measure, three other bilingual speakers inspected it and provided their suggestions. Together, we prepared the final version of the questionnaire. (See Appendix C for the English version and Appendix D for the Macedonian version of the developed questionnaire).

After agreeing on the final version of the questionnaire, in April 2018, I conducted a pilot study, using a convenience sample, in which 20 participants took part. The aim of the pretest was validating the measures and selecting the countries to be used in the analysis. Firstly, the participants filled in the questionnaire, and afterward, I carried out a discussion with each participant, where I asked them to provide an overview of the difficulties they faced while answering the questions, as well as suggestions for improvements. The results of the pretest yielded some weaknesses, which needed improvement.

First, in the semantic differential scale, respondents circled the words instead of the numbers. Therefore, I added a more precise explanation of what they need to do. Second, almost everyone wanted to use google to see the correct answers. As a result, I included a sentence in the introduction that there are no right or wrong answers. Lastly, the questions for two of the countries in the initial questionnaire (S. Korea & Romania) resulted with a large amount of “do not know” responses, while the third country (Germany) did not.

Therefore, during the discussion, I asked the respondents to identify which countries came to mind when discussing car brands and if they are familiar with these countries with respect to the questions provided in the questionnaire. The top three countries suggested by the respondents were Germany, France, and Japan. As a result, I chose these countries for further analysis. The time needed to complete the questionnaire varied from seven to ten minutes.

After I prepared the final version of the questionnaire in April 2018, in mid-May, I started with the data collection and concluded it in November 2018. Two hundred and twenty-eight North Macedonian participants (57,9% female, M_age = 25.21, SD_age = 4.340) took part in the survey.

I used non-probability sampling techniques, more specifically, convenience, snowball, and self-selection sampling techniques. The sampling techniques mentioned above are cost-effective and time-efficient, however, can cause bias, because respondents tend to identify other respondents who are similar to them, which may lead to a homogenous sample (Saunders, Lewis & Thornhill, 2012). Therefore, I conducted the data collection process in three different ways, which I believe, to a certain extent, mitigates this problem. I collected the data through an online questionnaire and by performing fieldwork. I conducted an online questionnaire through 1ka.com, which is an open-source application that provides services for online surveys.

I conducted the field research with the help of the college professors lecturing at the Goce Delcev University in Shtip, North Macedonia, who administered the questionnaires before their lectures. This allowed me to get a higher response rate and reach people from different regions in North Macedonia. Furthermore, I reached some of the participants with the help of friends and family, who distributed questionnaires in their neighborhoods, and workplaces. The total number of relevant questionnaires collected is 228.

3 DATA ANALYSIS AND FINDINGS

In this chapter, I present how I conducted the study. First, I discuss the results of the data collection and provide information regarding the characteristics of the sample, then I proceed with reporting on how I conducted the statistical analysis. I discuss handling missing data, reliability, and validity of measurement scales, measurement of constructs, and hypothesis testing, with an aim to clearly present my findings.

3.1 Characteristics of the sample

Although 339 respondents completed the questionnaire, with an aim to preserve validity, I excluded incomplete questionnaires (with a completion rate below 80%) and those that defy common sense, such as questionnaires where the respondent provided the same answer to all the questions, listed North Macedonia as COO for all car brands, etc. A total of 228 samples were deemed valid. I encountered a higher non-response rate, in terms of incomplete questionnaires for the surveys administered online (47%) than the questionnaires administered in person (17%).

The usable sample consists of 57.9% (n=132) female, and 40.8% (n=93) male. Taking into account that Millennials and early iGens are the next generations of car buyers, I focused my study on these two cohorts. Therefore, all the respondents in the study are born between 1980 and 2000, where 40.8 % (n=93) are born between 1980 and 1994, thus represent the Generation Y (Millennials) and 55.3% (n=126) belong to the Generation Z (iGen). The mean age of the respondents is 25.21. All respondents are North Macedonian nationals, where 22.4% (n=50) live in big cities with more than 100.000 inhabitants, 68% (n=155) live in a town with more than 10.000, but no more than 100.000 inhabitants and 9.2% (n=21) live in villages with less than 10.000 inhabitants.

Furthermore, taking into account that the study involves an empirical examination of the automobile market in North Macedonia, I decided to examine the product involvement among the respondents, because a higher degree of consumer product involvement leads to higher product knowledge (Liang, 2012). Among the survey respondents 42.1% (n=96) own a car, 30.7% (n=70) drive a car which they do not own, and 31.6% (n=72) were planning to buy a car until the end of the year. Table 3 presents the demographic characteristics of the surveyed respondents.

Table 3. Descriptive Statistics of the Sample

	Demographic characteristics	Frequency	Relative frequency (%)
Age_group	Gen Y: 1980 - 1994	93	40.8%
	iGen/Gen Z: 1995 - 2000	126	55.3%
	Missing	9	3.9%
Gender	Female	132	57.9%
	Male	93	40.8%
	Missing	3	1.3%
Nationality	Macedonian	228	100.0%
	Other	0	0.0%
	Missing	0	0.0%
Residence	City (above 100,000 inhabitants)	51	22.4%
	Town (from 10,000 - 100,000 inhabitants)	155	68.0%
	Vilage (up to 10,000 inhabitants)	21	9.2%
	Missing	1	0.4%
Product involvement	Own a car	96	42.1%
	Drive a car which they do not own	70	30.7%
	Plan to buy a car until the end of the year	72	31.6%

Source: Own work.

3.2 Analysis of data

I processed the data collected from the questionnaire and analyzed it by using the SPSS (Statistical Package for Social Sciences) software. In the following sections of this paper, I provide an overview of the data analysis process. Then, I discuss the methods undertaken for handling missing data. Next, I focus on the four constructs presented in the conceptual

model (Figure 1), and I continue with a discussion on the dimensionality of the constructs by showing the results of the exploratory factor analysis. Furthermore, I examine the reliability and validity of the scales for each construct by presenting Cronbach's alpha computations. Finally, I present the testing of the set hypotheses.

3.2.1 Missing values

The survey had a medium length, and participants needed 7-10 minutes to complete it. Therefore, I expected some percentage of unit non-response and item non-response, despite all the precautions taken in the process of designing the survey, and efforts made to make the survey easily understandable, well designed, and interesting for the participants. With an aim to handle the missing data issue, I consulted the academic literature, since the impact of missing data on quantitative research can be serious because it might lead to biased estimates of parameters, loss of information, decreased statistical power, increased standard errors, and weakened generality of findings (Dong & Peng, 2013). Below, I present an explanation of how I handled missing data in my study.

Cox, McIntosh, Reason, and Terenzini (2014) suggest that traditional methods such as listwise and pairwise deletion, as well as substitution of the missing values with the variable mean, should be avoided because they can seriously bias sample statistics (Peugh & Enders, 2004). Thus, Cox, McIntosh, Reason, and Terenzini (2014) argue that multiple imputation should be the new default option for quantitative research in higher education, which is the method I used in my analysis.

Firstly, I excluded all cases of unit non-response, where the participant did not complete any of the items in the questionnaire. Looking at the nature of my sampling techniques (convenience, snowball, and self-selection), I believe that most of the unit non-response occurred as a result of participants ignoring the survey, and not willing to take part in it, mainly due to no interest. Furthermore, Dong and Peng (2013) argue that before starting with the analysis the researcher needs to address the missing data problem at the item level, and they propose three aspects for tackling this problem: the proportion of missing data, the missing data mechanisms, and patterns of missing data. I addressed all these three aspects before choosing the appropriate procedures for dealing with missing data.

Dong and Peng (2013) point out that Schafer (1999, p.7) asserted that a **proportion of missing data** of 5% or less is inconsequential and single imputation inferences may be accurate, while Bennett (2001) argues that more than 10% of missing data might result in biased statistical analysis. By using the "analyze patterns" option in SPSS, I found that for the main variables that I used in my analysis, the proportion of missing data is 4,494%, which is somewhat below 5%. Although I have less than 5% missing data, which according to Schafer (1999) is inconsequential, Dong and Peng (2013, p.2) argue that "the amount of

missing data is not the sole criterion by which a researcher assesses the missing data problem." As discussed above, two other aspects are equally important. I discuss these below.

There are three **missing data mechanisms** under which missing data occurs. These are missing completely at random (MCAR), missing at random (MAR), and missing not at random (MNAR) (Rubin, 1976). The traditional missing data handling methods (pairwise deletion and listwise deletion) assume MCAR. However, this assumption is very strong and often unrealistic (Leeuw, Hox & Huisman, 2003). To check if my data is MCAR, I performed the Little's MCAR test which yielded statistical significance ($p < .01$), a *p*-value of less than .05 suggests that the missing data is not MCAR (i.e., it is either MAR or non-ignorable).

Dong and Peng (2013, p.3) present three **patterns of missing data**: univariate, monotone, and arbitrary. Using the "analyze patterns…" option in SPSS, I checked the patterns of missing data and found that the pattern of missing data is arbitrary, which means that the missing data occurs in any variable for any participant in a random fashion (Dong & Peng, 2013).

Based on the three aspects discussed above, I decided to handle the missing data by using multiple imputation method because it provides valid statistical inferences under the MAR condition (Dong & Peng, 2013). When data are missing arbitrary, Schafer (1997) suggests that one can use Markov Chain Monte Carlo (MCMC) method when performing multiple imputation.

However, it is important to note the multiple imputation related issues. Dong and Peng (2013) warn that there are several practical issues that researchers need to take into account when performing multiple imputation, such as, the imputation model, the number of imputations, the multivariate normality assumption, and the convergence of MCMC.

The **imputation model** needs to include useful variables (Dong & Peng, 2013). Therefore, I performed multiple imputation only with the main variables measuring the constructs. As for the **number of imputations**, Allison (2015) suggests that with smaller samples, the default of k=5 in SPSS is an appropriate number of imputations, which is the number of imputations that I performed.

The **multivariate normality assumption** is almost never met when we have categorical variables. In cases, where we have quantitative variables that are not normally distributed, Predictive mean matching (PMM) is an attractive way to do multiple imputation (Allison, 2015). Compared to the standard methods which assume linear regression and normal distribution, PMM produces imputed values that are much more like normal values, meaning

that in cases where the original variables are skewed, the imputed variable will also be skewed (Allison, 2015). The PMM method is in many software packages (including SPSS) which "implement an approach to multiple imputation variously known as multiple imputation by chained equations (MICE), sequential generalized regression, or the fully conditional specification (FCS)" (Allison, 2015, p.1). Moreover, FCS method relaxes the assumptions of multivariate normality and linearity (Liu & De, 2016).

The **convergence of MCMC** is one of the main determinants of the validity of the results obtained from multiple imputation. SPSS allows us to check the convergence after multiple imputation. I performed this check by generating convergence plots and found that the implied values converge.

Liu and De (2016) point out that choosing a good imputation model is of great importance since the quality of the imputation model influences the quality of the final results. Therefore, based on the discussion above, I performed the FCS predicted mean matching approach to deal with missing data, which is appropriate for MAR, arbitrary missing data.

Furthermore, Liu and De (2016) suggest that the best practice for finding the right approach would be to repeat the analysis under different imputation models, to see if, and how, they affect the final results. Therefore, taking into account Schafer (1999) assertion that a missing rate of 5% or less is inconsequential, I compared the results of the multiple imputation with the output with pairwise deletion. This can be easily done in SPSS since the pooled output provided by SPSS shows results with pairwise deletion, together with the results for each of the five imputations.

3.2.2 Reliability and validity of measurement scales

I measured each of the constructs by using scales for perceived competence, perceived warmth, country image, and product-country image, which are all based on previous research (see Table 1). To test the reliability and validity of the scales used to measure the constructs, I performed Exploratory Factor Analysis and computed the Cronbach's Alpha Coefficient. These two methods helped me determine internal consistency, and whether each of the scales consistently reflects the construct, it is measuring.

I performed the Exploratory Factor Analysis using the Principal Component Analysis extraction method. I performed a factor analysis for each of the countries analyzed. Table 4 presents the factor loadings for each of the constructs, shown with their labels, as a means of clarifying the obtained results.

Table 4. Factor Loadings and Reliability for perceived competence, perceived warmth, CI and PCI

Construct (Factor)	Items	BY CONSTRACT	BY COUNTRY					
		Cronbach's Alpha	Germany		Japan		France	
			Factor Loading	Cronbach's Alpha	Factor Loading	Cronbach's Alpha	Factor Loading	Cronbach's Alpha
Perceived Competence	Efficient	.806	.757	.732	.755	.747	.816	.783
	Intelligent		.770		.833		.755	
	Capable		.741		.739		.821	
	Competent		.715		.695		.721	
Perceived Warmth	Good-natured	.845	.778	.845	.751	.752	.804	.835
	Friendly		.886		.765		.811	
	Kind		.827		.766		.838	
	Warm		.812		.750		.821	
Country Image	Technological research	.861	.700	.776	.624	.780	.575	.865
	Standard of living		.574		.669		.786	
	Level of industrialization		.761		.732		.767	
	Developed economy		.714		.733		.798	
	Free-market system		.762		.727		.770	
	Democratic		.583		.486		.751	
	High literacy-rate		.485		.665		.743	
Product Country Image	Innovativeness	.732	.775	.706	.717	.694	.768	.701
	Attractiveness		.705		.710		.756	
	Prestige		.821		.787		.734	
	Workmanship		.625		.678		.642	

Source: Own work.

As we can see from Table 4, factor loadings are sufficiently high, which suggests that all items meant to represent the same construct loaded fairly high onto one single factor, thus account for most of the variance in the data set of the construct. For each construct, only one component was extracted, except for the country image of Germany and Japan, where two components were extracted. All of the constructs have eigenvalues above 2, which are higher than the eigenvalues for the next factor (under .7), and describe 49% - 68% of the variance. The construct CI Germany has two factors with eigenvalues above 1 that together describe 59% of the variance, where the first component accounted for 44% of the variance. Therefore, I presented the factor loadings of the first component. As for CI Japan, also two components were extracted, which together account for 59% of the variance. The first component accounted for 43%. Therefore, the factor loadings for that component are presented. The significance of the factor loadings depends on the sample size (Field, 2009, p.644). Stevens (2002) suggests that for a sample size of 200, a loading greater of .364 can be considered significant, which indicates that the factor loadings presented in the table above are statistically significant.

Field (2009) suggests that it is useful to check the reliability of the measurement scale when using factor analysis to validate a questionnaire. Reliability means that the measure consistently reflects the construct that it is measuring, which suggests that, other things being equal, one should be able to obtain the "same score on a questionnaire if they complete it at two different points of time" (Field, 2009, p. 673). To measure the reliability of the constructs, I computed the Cronbach's Alpha Coefficient, which represents the most frequently used measure for scale reliability (Field, 2009, p.674). The coefficient ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1, the greater the internal

consistency of the items in the scale (Gliem & Gliem, 2003, p. 87). George and Mallery (2003, p.231) provide some general rules of thumb for rating the reliability of a measurement instrument:

α > .9 – Excellent
.9 > α > .8 – Good
.8 > α > .7 – Acceptable
.7 > α > .6 – Questionable
.6 > α > .5 – Poor
α < .5 – Unacceptable

Therefore, we can conclude that values above .7 are acceptable values of Cronbach's alpha, and values substantially lower indicate an unreliable scale (Field, 2009, p. 675). A presented in Table 4, the perceived competence (α = .806), perceived warmth (α = .845), CI (α = .861), and PCI (α=.732) had high reliabilities α > .7. By country, as presented in Table 4, all values are above the threshold of .7, except for PCI Japan with a value of .694. However, the value is thereabout. Hence, we can conclude that these values indicate good reliability.

3.2.3 Descriptive statistics of the Key constructs

To test the proposed hypotheses, I provide descriptives of key constructs, with the aim of a simpler interpretation of the data. I used the descriptive statistics option in SPSS to obtain the mean and standard deviation of each of the scale items. Next, I computed the composite scales by averaging the scale items for each construct. Table 5 presents a summary of the descriptive statistics for each construct.

As seen from Table 5, the mean score for perceived competence for Germany is 4.21, while the mean score for perceived warmth is 2.85, which imply that North Macedonians perceive Germans as competent but not warm. Furthermore, North Macedonians perceive Japanese almost as competent as the Germans with a slightly higher mean score of 4.33 but much warmer with a mean score of 3.61. France has the lowest competence composite mean of 3.68, while North Macedonians perceive the French, almost as warm as the Japanese with a composite mean of 3.46.

North Macedonian consumers have positive country image perceptions for all three countries with Germany having the highest composite mean of 4.22, followed by Japan with a composite mean of 4.11, lagging slightly behind Germany in the perceived level of standard of living, democracy and literacy rate, however, with the higher composite mean in technological research. France, has a composite mean of 3.97, with a slightly lower composite mean compared to the one of Germany and Japan, especially when it comes to perceptions of technological research.

The descriptive statistics show the highest composite mean for the product country image of Germany with a composite mean of 4.48, followed by Japan with 4.12, and France 3.84. This means that Germany received most favorable PCI perceptions when it comes to producing cars, followed by Japan, and then France.

Table 5. Descriptive statistics of perceived competence, perceived warmth, CI, and PCI

Construct (Factor)	Scale Item	BY COUNTRY					
		Germany		Japan		France	
		Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation
Perceived Competence	Efficient	4.31	0.889	4.28	0.892	3.64	0.924
	Intelligent	3.94	0.908	4.41	0.804	3.54	0.809
	Capable	4.42	0.787	4.46	0.787	3.74	0.886
	Competent	4.18	0.946	4.18	0.872	3.78	0.896
	Composite scale	**4.213**	**0.883**	**4.33**	**0.839**	**3.68**	**0.879**
Perceived Warmth	Good-natured	2.86	1.142	3.57	1.020	3.30	1.070
	Friendly	2.950	1.210	3.60	0.969	3.39	0.988
	Kind	3.08	1.166	3.87	0.971	3.67	1.015
	Warm	2.49	1.226	3.41	1.097	3.46	1.103
	Composite scale	**2.845**	**1.186**	**3.61**	**1.014**	**3.46**	**1.044**
Country Image	Technological research	4.29	0.759	4.60	0.737	3.79	0.817
	Standard of living	4.3	0.787	3.89	0.920	4.07	0.893
	Level of industrialization	4.36	0.799	4.42	0.738	3.90	0.852
	Developed economy	4.470	0.740	4.36	0.796	4.10	0.852
	Free-market system	4.06	0.851	4.03	0.958	3.91	0.821
	Democratic	4.08	0.897	3.69	1.021	4.04	0.840
	High literacy-rate	4.01	0.896	3.80	1.023	3.97	0.850
	Composite scale	**4.224**	**0.818**	**4.11**	**0.885**	**3.97**	**0.846**
Product Country Image	Innovativeness	4.43	0.765	4.49	0.762	3.75	0.908
	Attractiveness	4.4	0.822	4.07	0.924	3.92	0.944
	Prestige	4.51	0.778	3.87	0.948	3.82	0.901
	Workmanship	4.56	0.873	4.06	0.920	3.85	0.876
	Composite scale	**4.475**	**0.810**	**4.12**	**0.889**	**3.84**	**0.907**

Source: Own work.

Moreover, taking into account the suggestions made by Diamantopoulos and Balabanis (2008, p.61) that "further COO studies should adjust their research designs, and take the respondents' brand COO knowledge into account," I also looked at the brand origin recognition among North Macedonians. Table 6 presents the descriptive statistics of brand origin recognition among North Macedonian consumers.

The table shows that the overall brand origin recognition among North Macedonian consumers is good. However, the brand origin recognition differs among brands. Based on the results presented in Table 6, most of the respondents assigned the correct country of brand origin for VW (90.45), Toyota (82%) and Citroen (78.1%), however almost half of the respondents struggled to assign the correct country of brand origin for Kia (46.9%), Dacia (53.1%), and Ford (57.5%).

Table 6. Brand origin recognition

Brand	Brand origin recognition	Frequency	Relative frequency (%)
Volkswagen	Correct	206	90.4%
	Incorrect	1	0.4%
	Not assigned	21	9.2%
TOYOTA	Correct	187	82.0%
	Incorrect	16	7.0%
	Not assigned	25	11.0%
CITROËN	Correct	178	78.1%
	Incorrect	12	5.3%
	Not assigned	38	16.7%
Ford	Correct	131	57.5%
	Incorrect	37	16.2%
	Not assigned	60	26.3%
DACIA	Correct	121	53.1%
	Incorrect	34	14.9%
	Not assigned	73	32.0%
KIA	Correct	107	46.9%
	Incorrect	61	26.8%
	Not assigned	60	26.3%

Source: Own work.

3.3 Hypotheses testing

For each of the hypotheses, first I present the relationship between perceived competence, perceived warmth, CI, and PCI, where each was computed as a single construct, taking into account the variables from all countries. After that, for the sake of comparison, I present the results on a country by country basis, where I computed the perceived competence, perceived warmth, CI and PCI constructs for each of the countries separately. This way, I was able to see if there are any substantial difference among the countries.

H1a: Perceived competence is positively related to the general country image (CI).

I computed a Pearson product-moment correlation coefficient to assess the relationship between the amount of perceived competence and general country image. I found a positive correlation between the two variables ($r=473$, $n=228$, $p<.001$). SPSS results are presented in Appendix E.

Furthermore, I computed the Pearson product-moment correlation coefficient for each country separately and found significant correlation between the amount of perceived warmth and general country image for all three countries, Germany ($r=.493$, $n=228$, $p<.001$), Japan ($r=412$, $n=228$, $p<.001$), and France ($r=.436$, $n=228$, $p<.001$). These results imply that the level of perceived competence among the North Macedonian consumers influences their perceptions on general country image for a given country. The results ultimately support the

proposed hypothesis H1a, concluding that perceived competence is positively related to the general country image.

H1b: Perceived competence is positively related to the product-country image (PCI).

To assess the relationship between the amount of perceived competence and the product-country image, I used the Pearson product-moment correlation coefficient. The Pearson correlation coefficient yielded a positive correlation between the two variables ($r=.253$, $n=228$, $p<.001$). SPSS results are presented in Appendix E.

On a country by country basis, the Pearson product-moment correlation coefficient yielded a significant correlation between the amount of perceived competence and product-country image for each of the countries, and thus Germany ($r=.304$, $n=228$, $p<.001$), Japan ($r=436$, $n=228$, $p<.001$), and France ($r=.272$, $n=2$, $p<.001$). This implies that the level of perceived competence among the North Macedonian consumers influences their perceptions of product-country image for a given country. Nevertheless, it is important to note that this influence is stronger in the case of Germany and Japan, while weaker in the case of France. The presented results support the proposed hypothesis H1b, concluding that perceived competence is positively related to the product country image.

H2a: Perceived warmth is positively related to the general country image (CI).

I tested this hypothesis in the same manner as the previous two. Therefore, I used Pearson product-moment correlation coefficient to assess the relationship between the amount of perceived warmth and general country image and found a positive correlation between the two variables, ($r=.188$, $n=228$, $p<.001$). SPSS results are presented in Appendix E.

The Pearson product-moment correlation coefficient for Japan ($r=.222$, $n=228$, $p<.001$), and France ($r=.241$, $n=228$, $p<.05$) yielded a weak, but significant correlation between the amount of perceived warmth and general country image. For Germany ($r=.026$, $n=228$, $p>.05$), I observed a very weak positive correlation. However, it is not statistically significant. Thus, there is not enough evidence to suggest that the correlation does exist in the population. As a result, the presented results support the proposed hypothesis H1b, concluding that perceived competence is positively related to the product country image.

H2b: The relationship between perceived warmth and PCI is mediated through CI.

To test this hypothesis, I performed a mediation analysis by using regression and the PROCESS macro for SPSS. It is important to mention that to test hypothesis H2b, I used the original data, instead of the data with multiple imputation. Therefore, I used a listwise deletion as a means of handling missing data because SPSS does not provide pooled

standardized beta coefficients. Nevertheless, it provides information for each of the five imputations separately, which I used to compare the results and see if there were any significant differences. I describe the process of testing hypothesis H2b below.

I tested this hypothesis by examining the mediation effect of CI on the relationship between perceived warmth and PCI. For this purpose, I used the Baron and Kenney (1986) approach. First, I tested the direct relationship between perceived warmth and PCI (.171, p<.001). Then, I tested the relationship between perceived warmth and CI (.180, p<.001), and CI and PCI (.339, p<.001). Finally, I regressed perceived warmth and CI on PCI, and the effect of perceived warmth (.113, p<.001) was lower than the direct warmth-PCI relationship, though, still significant. Hence, this suggests a partial mediation effect since the presence of CI weakens the strength of the relationship between perceived warmth and PCI.

Furthermore, I used the PROCESS macro for SPSS, developed by Preacher and Hayes (2008), to test the mediation relationship. Preacher and Hayes (2008) argue that the test of mediation can be done by constructing 95% confidence intervals for the test of mediation. Thus, mediation is present when 95% confidence intervals do not contain 0 when there is a test of mediation. By performing this test, I found that the indirect effect (.0393, CI_ALL .0894, .0529) points to a significant mediating effect because it does not contain 0 in the 95% confidence intervals.

On country by country basis, I confirmed the mediating effect for Japan and France, however, I was not able to confirm it in the case of Germany, since the causal variable (perceived warmth) is not correlated with the outcome (PCI) (-.020, p>.05), thus there is no effect of the independent variable on the dependent variable. Below, I discuss the outcome for Japan and France. There is a direct relationship between perceived warmth and PCI for Japan (.157, p<.05) and France (.256, p<.001). The relationship between perceived warmth and CI for Japan (.226, p<.05), and France (.245, p<.001) was also significant. Furthermore, I found a direct relationship between CI and PCI for both, Japan (.350, p<.001), and France (.384, p<.001). When I regressed perceived warmth and CI on PCI, the effect of perceived warmth for Japan (.076, p>.05), and for France (.158, p<.05) was lower than the direct warmth-PCI relationship. The *p*-value for Japan was above the .05 threshold, which means that CI is the mediator. In the case of France, *the p*-value is below .05, which suggests a partial mediation effect. The PROCESS macro yielded a significant mediating effect for both Japan (.0448, CI_JPN .0600, .0755) and France (.0447, CI_FR .0602, .0772).

H3: Country image (CI) is positively related to the product-country image (PCI).

To assess the relationship between country image and the product-country image, I ran a Pearson's product-moment correlation. The results of the Pearson correlation indicated that there was a significant positive association between country image and product-country

image (r =.337, n=228, p<.001), which means that higher values of positive country image perceptions are related to greater product-country image perceptions, with country image explaining 11% of the variation in the product-country image. I also found a positive association between CI and PCI in the case of Germany (r=.286, n=228, p<.001), France (r=.360, n=228, p<.001), and Japan (r=.339, n=228, p<.001). Therefore, based on these results, I confirm hypothesis H3.

4 DISCUSSION

In this chapter, I discuss the implications of this research for the relevant theories which I previously presented in the literature review chapter. First, I start with an interpretation of the results which I presented in chapter three. Next, I continue with a discussion on the relevance of this research from a practical point of view and discuss the managerial implications. Lastly, I discuss the contribution and limitations of this study and provide suggestions for future research.

4.1 Summary of the findings

The findings of the analysis indicate that the stereotypes of competence and warmth are positively related to CI and PCI. The perceived competence dimension had a significant direct influence on CI, and PCI, which means that higher perceptions of competence are related to more positive CI and PCI perceptions.

There is a positive direct relationship between the perceived warmth, and PCI, however, the strength of the relationship is weaker than the relationship between perceived competence and CI. The relationship between the perceived warmth and PCI is partially mediated through CI, which means that CI serves to clarify the relationship between perceived warmth and PCI. However, this relationship is not very strong, which suggests that consumers may be confident in their knowledge of the product country image, and do not use the country image. The results also show a positive direct relationship between CI and PCI, which means that higher values of positive country image perceptions are related to greater product-country image perceptions.

On a country by country basis, the strength of the relationship between perceived competence, CI, and PCI did not differ considerably among the three countries. The main difference is between perceived warmth and CI. The results show that there is a statistically significant relationship between perceived warmth and CI in the case of Japan and France. However, perceived warmth does not have a statistically significant impact on the country image for Germany.

The above discussion leads to a conclusion that the stereotypes are strongly linked to the formation of the more general country image. However, the findings suggest that competence stereotype is more diagnostic than warmth stereotype. As a conclusion, the North Macedonian consumers are likely to use both stereotypes in their decision-making process. However, the influence of competence perceptions is expected to be greater than the influence of warmth perceptions.

4.2 Managerial Implications

The findings of this thesis explore the stereotypical dimensions of competence and warmth and their impact on young North Macedonian consumer perception of countries and their products. Therefore, the findings of this study have implications for international marketing managers, since "national and multinational corporations often incorporate national stereotypes into their manufacturing, sourcing, investment, and marketing strategies" (Chatals & Takada, 2007, p. 67). Hence, international managers need to understand what kind of perceptions do consumers have for their product-country origin, since this may help them in developing better strategies. Thus, the understanding and knowledge of national stereotype contents can be of great use to marketers and can help them deliver the right communication campaigns to reach their desired segment.

The proper understanding of the influence of national stereotypes can help managers in their sourcing, branding, labeling, and promotional activities (Chattalas & Takada, 2013, p.94). It can be of great importance for corporations that operate in different national contexts which may capitalize on the perceived strengths of the firm's national image, and the stereotypes underlining it. In practice, this would mean, that firms with strong country image perceptions can emphasize the positive country stereotype in their marketing efforts. For instance, the findings of this study showed that North Macedonian consumers perceive Germans as competent but not warm. Furthermore, the results show that North Macedonian consumers have positive perceptions of the German PCI, which means that North Macedonian consumers believe that Germany is capable of producing cars that are innovative, attractive, prestigious and have good workmanship. Moreover, country image and competence stereotype have a positive influence on product-country image perceptions, which assures marketers of German products that putting German competence into the forefront of their communication campaigns can lead to positive results.

VW and Opel represent a real-world example of how a brand can take advantage of its positive country image. VW, for instance, emphasized the "power" of German engineering (VolkswagenBoardwalk, 2012; VW Southtowne, 2014; Sunset Volkswagen, 2014) in their marketing campaigns. This campaign shows how a brand can highlight the competence stereotype in their communication strategies. Furthermore, Opel also emphasized the positive CI of Germany in their 2019 advertising campaign "Born in Germany, made for us

all" (Opel, 2019) even though Groupe PSA, a French multinational manufacturer of automobiles, bought Opel in 2017 (Kable, 2017). It is interesting to note that even brands that do not have German origin have utilized the positive country stereotypes of Germany in their marketing campaigns. For instance, Alfa Romeo which is an Italian car brand used Germany's positive CI in an advertisement where they added a line saying "mmm it must be a German thing" (Alfa Romeo USA, 2018), for a car named "Giulia." Giulia is a name representative for Italy based on Shakespeare's most famous play, Romeo and Juliet, which put Verona (Italy) on the map for the rest of the world. Hence, in the advertisement, Alfa Romeo managed to connect the positive country images of both Germany and Italy, indirectly pointing towards a powerful car with great style.

The role of national stereotypes in advertising is well established for brands with a robust positive country image like Germany. However, understanding of national stereotypes is as important for brands that do not have such a strong country image, because SCM can help them understand to what extent the competence and warmth stereotypes are present among the consumers, and how they compare to the country stereotypes that consumers hold for their competitors. Thus, it would provide them with a clear picture of which stereotype they should emphasize or deemphasize if there is a presence of negative stereotypes that they need to overcome.

As previously mentioned, SCM can provide an insight into how national stereotypes compare to the competitor country stereotypes held by consumers. Let's take, for instance, Japan. If we look at the findings for Japan, we can see that North Macedonian consumers perceive Japanese as competent as Germans, Japan received slightly higher competence score than Germany. Furthermore, the PCI for Japan received almost as positive perceptions as German PCI, however, had slightly lower scores on all PCI variables, except innovativeness, where Japanese cars were seen as somewhat more innovative than German cars. These findings provide interesting suggestions for advertising campaigns that can emphasize the Japanese competence and connect it with the greater level of innovativeness of the Japanese cars.

In the case of France, which received the lowest competence scores among the three countries, SCM suggests that French car brands should focus on improving their competence stereotype. However, France is still in a good position since it received good scores on both competence and warmth, maybe not as high on competence as Japan and Germany. However, the scores are not in the very low quadrant either. Therefore, France can benefit from its good country image. However, it should put more efforts in promoting its competence dimension because this dimension can improve PCI perceptions.

Although in this thesis the focus is on cars as a product category, the research findings point out to the importance of competence and warmth and their impact on the perception of

countries and their products as the measure for country image and product country image were of a general rather than product-specific nature. Hence, the findings of this research can be important for all companies operating in the international marketplace. For example, if the company is operating in the service sector, and knows that their target customers perceive the country of origin as warm, they can take advantage of this and utilize the warmth stereotype connected with their country in their promotional and communication strategies. If the company is operating in the manufacturing segment, and the country of origin of its brand is perceived as competent, they can emphasize this stereotype.

Fiske (2004) argues that if the company receives both positive competence and warmth perceptions, it should work on maintaining that position. A good example of how a brand can promote its warmth stereotype and its competence stereotype is Toms "One for one" campaign. For each pair of shoes bought, they donate a pair to the underprivileged.

However, there are firms from countries which are not stereotypically connected with a particular product, or even firms that originate from countries associated with negative stereotypes. In such cases, the understanding of SCM contents would help managers to find the right strategies to tackle and overcome this issue. For example, in some cases, managers can leverage the positive country stereotypes of another country or can strategically choose to communicate an origin country which is entirely different from their own. This way, the firm may seize positive stereotypes of another country.

An example of leveraging on the positive country stereotypes of another country was previously discussed above in the case of Alfa Romeo. On the other hand, if the firm faces negative stereotypes, it can choose to communicate an entirely different country of origin. Example for this is the Russian shoe company Carlo Pazolini, which changed the name of their company into a foreign-sounding brand name and registered its brand in Italy so that it can sell its shoes as high-end Italian shoes (Kurras & Rizza, 2018). This way, it activated more favorable stereotype dimensions. Another such brand is BORK, a Russian home appliances manufacturer, which registered its brand in Germany so that it can market their products as German (Division of Industry, Growth, and Infrastructure, 2018).

Understanding the influence of the stereotypes as underlying effects of COO can help managers to develop the right approach towards managing the COO of their brands. As Halkis, Davvetas, and Diamantopoulos (2016) suggest with the help of the SCM, and marketing managers can analyze the content of consumers' country stereotypes and together with other characteristics related to the brand can make important decisions regarding which aspects of brand COO should be highlighted or deemphasized when developing positioning and communication strategies. Therefore, marketers need to position their advertisements in such a way that they match with the consumer brand origin stereotype (Cattalas & Takada, 2013).

Moreover, it is important for brands that do not have such positive stereotypes connected with their brand origin to develop marketing plans and overcome this by finding creative ways to promote their brands. These brands need to discover which stereotype is stronger for their country and how can they make the best use of this stereotype, taking into account the product or service they are offering. Furthermore, they can focus on developing marketing strategies that would enhance their brand image, particularly creating strong, favorable brand stereotypes (Japutra, Molinillo & Wang 2018). The COO premium could result in a higher return on investments in a new era, where the overall quality has risen, and the intangible features can be used by the manufacturers and brands as a strategic approach to differentiate themselves (Saridakis & Baltas, 2016).

It is undeniable that choosing to design or assembly raw materials in one country versus another, might bring some benefits such as quality improvements and cost savings (Brodowsky, Tan & Meilich, 2004). Nonetheless, managers have to be aware of the possible risks in their attempts to manipulate the brand origin of their products. Therefore, managers have to develop a proper strategic approach in managing their brand's COO since COO choices are not inconsequential. Brodowsky, Tan, and Meilich (2004), in their study regarding the managing COO choices, point out to an example where some clothing manufacturers attempted to manipulate the information of their country of assembly by establishing sweatshops on American territory so that the clothes can carry "Made-in-US" labels. However, the workers were young women from China, who worked for low wages and in terrible conditions. Therefore, Brodowsky, Tan, and Meilich (2004) suggest that managers must also consider consumers' perceptions about the morality of their actions in making their COO choices.

The influence of national stereotypes also transfers to governments. The understanding of national stereotypes can help them effectively brand, reposition, and market nations. Nations need to attract investors. Thus they compete with each other to market their products. Therefore, it is essential to project the right image base on the type of products, as well as the target markets (Chattalas & Takada, 2013) which is also important for public diplomats engaged in nation branding because the better understanding would help them in predicting and managing consumers' expectations concerning the presence and quality of particular attributes of the products (Chattalas & Takada, 2013).

4.3 Contribution, limitations, and caveats

The academic research has recognized the importance of COO and its influence on consumer decision making in a variety of domains (Chattalas, Takada & Kramer, 2008). However, a number of researchers have pointed out that COO antecedents have received very little attention (Chattalas, Takada & Kramer, 2008; Gartner, 2011; Chattalas & Takada, 2013; Chattalas, 2015; Andéhn, Gloukhovtsev & Schouten, 2016; Lu, Heslop, Thomas & Kwan,

2016) This is surprising when we take into consideration the strong impact of COO on the marketplace (Chattalas, Takada & Kramer, 2008). Moreover, Chattalas and Takada (2013) pointed out that there is a lack of investigation in the literature on how systematic differences in the content of national stereotypes impact consumer expectations.

The purpose of my thesis was to understand how national stereotypes underline COO, by looking at the relationship between stereotypes, on the one hand, and country image and product-country image on the other. Thus, this study addresses the previously mentioned shortcoming in the literature and contributes to it by investigating the role of national stereotypes as an antecedent of COO evaluation.

Furthermore, previous studies suggest that it would be of great importance for future research on the subject to look at different product categories and different countries (Motsi, 2016; Drozdenko & Jensen, 2009). These suggestions lead to another significant contribution of this study, as the only study of its kind conducted on the territory of North Macedonia. This is very important since "SCM is based on how groups view out-groups in relation to the position occupied by the in-group" (Motsi, 2016, p. 104), which means that consumers from different countries may have different view on the competence and warmth stereotypes, and the findings of previous studies may not be applicable to the North Macedonian consumers.

The proper understanding of the influence of national stereotypes can help managers in their sourcing, branding, labeling, and promotional activities (Chattalas & Takada, 2013). Therefore, from a practical point of view, this study contributes to a more detailed understanding of national stereotypes as drivers of COO effects, which can benefit managers by giving them more insights for managing their product's COO, and developing international marketing strategies. Lastly, the most significant contribution of the study is that it demonstrates that national stereotypes are present among the North Macedonian consumers, and they drive COO effects, through their influence on the country image and product-country image.

Despite the discussed contributions of the research, there are some limitations of the study which need to be acknowledged. This empirical study focuses on one product category and a single target market which restricts the possibilities of generalizing the study findings. Therefore, future researchers can replicate the study in different countries and look at differences or similarities in national stereotypes among the countries. Also, future research can look in different product categories or services and see how the findings differ.

Furthermore, the study focuses only on how national stereotypes affect CI and PCI but does not take into consideration how this relates to product evaluation and purchase intentions. Therefore, future studies may focus on looking at the effect on purchase intentions. In

particular, it would be interesting to examine how product price affects product evaluation, and if consumers are prepared to pay a higher price premium for a car from a particular brand origin. Also, while the countries chosen for this research were based on a pretest and included three countries, a greater number of countries may result in greater variations and combinations of stereotype judgments.

Next, it is important to mention that the study is based on a sample of college students, and the sample is biased to a particular population, that is, Generation Y and Generation Z. Therefore, the findings may not be applicable to other generations. Also, the sample of 228 respondents was based on convenience sampling technique, and it was mostly comprised of people living in the eastern part of the country, whereas the western part did not get much attention, which suggests that the generalizability of the findings can be limited, as the sample does not represent the North Macedonian population.

While this thesis briefly examines brand origin recognition, this analysis was done only to understand the respondents better. Nevertheless, this suggests another exciting venue for research, where researchers may focus on providing a better insight into the brand origin recognition accuracy of car brands, which can be done by determining Brand Origin Recognition Accuracy (BORA) scores (Samiee, Shimp & Sharma, 2015). Furthermore, researchers may also look at the different variables that influence brand origin recognition, such as the demographic characteristics and international experience. Moreover, this research looked at the PCI from a car brand perspective. Nonetheless, some researchers have argued that the country of manufacturing also matters and may have an influence on consumers when it comes to purchasing a car. Therefore, future research tackling this issue by looking at the country of manufacturing versus the country of brand origin importance may yield interesting results.

CONCLUSION

The findings in this thesis highlight the importance of the role that national stereotypes play as drivers of COO effects. Therefore, this thesis responds to the call in the literature for exploring the antecedents of COO effects (Chattalas, Takada & Kramer, 2008; Gartner, 2011; Chattalas & Takada, 2013; Chattalas, 2015; Andéhn, Gloukhovtsev & Schouten, 2016; Lu, Heslop, Thomas & Kwan, 2016).

The results of this study show that national stereotypes play an important role as drivers of the COO effects, through CI and PCI. Therefore, the findings do not entirely align with Usunier's (2006) argument that COO is no longer a significant issue in international marketing operations. Usunier (2006) argued that the lower importance of COO is due to multinational production, a decline of origin labeling in WTO rules, and global branding. However, I believe that this depends mostly on how one defines COO. If we adhere to the

initial COO definition, which defines COO as the country of manufacturing, then Usunier's (2006) argument may be valid. In this study, I looked at the brand origin recognition among the respondents.

The findings showed that North Macedonian consumers recognize the country of brand origin. Therefore, I approached COO as a cue that represents the country of brand origin. Based on the findings in this thesis, I believe that even though many companies have multinational production, the focus of COO has shifted from the country of manufacturing to the country of brand origin. The findings are consistent with Samiee, Shimp, and Sharma's (2005) findings that the country of brand origin has become more significant to consumers than the country of manufacturing. The findings of this thesis support this since consumers connected the car brands with the country of brand origin, despite many of them having production plants across the world. This shift can be seen in other product categories as well — for instance, the iPhone. Although Apple assembles its iPhones in China, consumers tend to associate it with the USA, even though on the back of every iPhone, it is explicitly written that the phone has been assembled in China.

Furthermore, my results do not fully support Samiee, Shimp, and Sharma's (2005) argument that the recognition of brand origin is limited. Based on the results in this study, I believe that this depends on the product category, as well as how much brands communicate their COO in their marketing campaigns, and educate their consumers about their COO. As it is seen in this study, the majority of consumers assigned the correct COO to the provided brands, for example, for VW, Toyota, and Citroen more than 80% of the consumers assigned the correct country. However, for some of the brands, almost 50% of respondents assigned wrong COO or were unable to assign any COO (Dacia, Ford, and Kia), which is in line with the argument made by Diamantopoulos and Balabanis (2008) that brand recognition does not necessarily apply to all brands within the product category.

Nevertheless, this does not mean that COO is not relevant. The findings in this study which showed a statistically significant relationship between national stereotypes, CI, and PCI, are in line the findings of Andéhn, Gloukhovtsev, and Schouten (2016) that it is ill-advised to assume that COO is irrelevant. Moreover, the results are consistent with the argument of Chattalas and Takada (2013) that nations' COO matters and this can be seen by looking at the national stereotypes and their influence on CI and PCI.

Furthermore, the results of this study are consistent with Hakala, Lemmetyinen, and Kantola's findings (2013), that country images are based on stereotypical views. The findings of this study show that for all three countries, there is a statistically significant relationship between national stereotypes and the country image. However, the relationship between perceived competence and CI, is stronger than the relationship between the perceived competence and PCI for two, out of the three analyzed countries, therefore, the

results support Motsi's (2016) argument that CI and PCI should not be used as an umbrella term, and researchers should use the decomposed model and treat them as different constructs. Furthermore, by decomposing the model, I was able to find a statistically significant relationship between the stereotypes and product-country image, which was measured based on consumers' perceptions of cars originating from given countries. Next, there was also a statistically significant relationship between the stereotypes and the general country image, which was measured based on general country characteristics such as level of technological research, the standard of living, free-marker system, level of industrialization, democracy, literacy rate, and developed economy.

Finally, the CI also has a statistically significant effect on the product-country image. Therefore, the results are consistent with Adina, Gabriela, and Denisa's (2015) results that cognitively COO may be looked at as an extrinsic cue which means that consumers judge the product quality based on product-country images which encompass beliefs about country's products, but also other more general characteristics such as economy and workforce. Moreover, the results support Adina, Gabriela, and Denisa's (2015) argument that COO may be regarded as an intrinsic cue, and consumers might relate COO to status and identity. It can be seen from the descriptive statistics, that respondents rated German cars as being prestigious, and perceived them as more prestigious compared to Japanese and French cars.

Looking at the importance of the perceived competence over warmth, the results of my study suggest that for cars as a product category, the competence dimension plays a stronger role than the warmth dimension. Therefore, my findings are consistent with Chen, Mathur, and Maheswaran's (2014) findings that the content of competence has greater perceived relevance. However, the results do not fully support their argument that warmth-related country associations are almost nondiagnostic.

This study showed that although the relationship between perceived competence, CI, and PCI was stronger, and was confirmed for all three countries, for two of the countries, there was a significant relationship between the warmth dimension, CI, and PCI which was mediated through CI. Therefore, the findings are in line with Diamantopoulos, Florack, Halkis, and Palcu (2017) who argue that despite the strong influence of the competence dimension, it does not mean warmth judgments are not relevant in influencing consumer behavior. As a result, the findings of this study support Spielmann's (2016) argument that when consumers evaluate a given product, they do not just simply consider product's origin and compare it with established schema, but the process is rather more complex, and it seems that consumers tend to instead rely on the stereotypes connected with product origin. The study's findings also support Maheswaran's (1994) argument that customers may hold stereotypical beliefs connected with product-related information.

Although many studies point out the bias of the consumer towards the products originating from the developed country, and how developed countries have an advantage over developing countries (Drozdenko & Jensen, 2009). This study shows that also one developed country may have an advantage over another developed country for a given product category, and consumers can perceive their product country images differently. As this study demonstrates, North Macedonian consumers have more positive perceptions towards the German PCI over French PCI, when it comes to cars. Therefore, the results align with Chattalas and Takada's (2013) findings that countries that are similar in terms of an educated workforce, and socio-economic standards can be perceived differently by consumers.

Furthermore, the study showed that this is mostly driven by the fact that North Macedonians consumers see Germans as more competent than the French. Thus, the country stereotype underlines this difference in PCI perceptions. Therefore, the results support Chattalas and Takada (2013) who argue that stereotype contents, such as warmth and competence perceptions of a nation's' people influence consumer expectations of products, which can be seen through the positive relationship between the country stereotypes, especially the competence dimension, and the product country image, found in this study.

Furthermore, Chattalas (2015) argues that when it comes to producing pleasurable and hedonic products, nations would be better off if they have citizens that are perceived as warm and friendly. While this may be true for other product categories, the findings of this study show that when it comes to cars, this argument is not entirely true. My results suggest that when it comes to cars, even countries such as Germany, which is perceived as competent but not warm can produce pleasurable cars, perceived as prestigious by the North Macedonian consumers.

Finally, we can conclude that the findings of the study demonstrate that national stereotypes are present among the North Macedonian consumers, and this can be seen through the effects of national stereotypes (warmth & competence) on general CI and PCI. Even though the strength of the relationship varies among the three countries, nevertheless, their influence can not be denied. As a general conclusion, the findings of this study are in line with the previous findings in the literature that that SCM is relevant to the examination of COO perceptions, and the dimensions of perceived warmth and competence, as two independent and continuous dimensions, underline COO effects (Chattalas, Takada & Kramer, 2008; Fiske, Xu, Cuddy & Glick, 1999; Fiske, Cuddy, Glick & Xu, 2002). Thus the different expectations for the products from two countries may be based on the COO cue driven by the national stereotypes of their countries.

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APPENDICIES

Appendix A: Povzetek (Summary in Slovene)

Namen: Povečana raven globalizacije in hitro tempo sprememb, ki se dogaja v svetu, sta znatno vplivala na potrošnike. Na današnjem svetovnem trgu se potrošniki soočajo s številnimi dražljaji pri sprejemanju nakupnih odločitev. Na izbiro potrošnikov vplivajo številni dejavniki, ki lahko varirajo od nacionalnega porekla izdelka do prisotnosti in razpoložljivosti na trgu. Vpliv nacionalnega porekla izdelka je precej zapletena tema. Že dolgo časa je to vprašanje tema razprave in številni raziskovalci so ga že obravnavali. To je povzročilo obilico raziskav, povezanih s to temo. Pomembnost vpliva porekla izdelka na odločanje potrošnikov je bil priznan in potrjen v številnih raziskavah. Vendar pa obstaja precej manj opravljenih raziskav na nacionalnih stereotipov kot predhodnika ocenjevanja države porekla, kljub njihovi pomembnosti (Chattalas, Takada & Kramer, 2008), saj le prisotnost oznake države porekla lahko samodejno sproži notranje shranjevanje stereotipov, ki lahko vplivajo na vrednotenje blagovne znamke (Herz & Diamantopoulos, 2012). Na podlagi tega, nacionalni stereotipi vplivajo na to, kako gledamo na določene izdelke. Glede kakovosti nemških avtomobilov, italijanskih čevljev in francoskih parfumov obstaja nenapisano pravilo. To je posledica vpliva nacionalnih stereotipov na podobo države in podobo izdelka iz posamezne države, ki postavljajo pričakovanja potrošnikov glede izdelka. Kot rezultat tega je namen moje diplomske naloge razumeti, kako nacionalni stereotipi podčrtajo državo izvora, in sicer s pogledom na razmerje med stereotipi na eni strani ter podobo države in podobo izdelka iz posamezne države na drugi strani. Da bi to uporabil, bi v tej tezi želela ugotoviti prisotnost nacionalnih stereotipov med makedonskimi potrošniki in določiti njihove učinke na splošno podobo države in podobo izdelka iz posamezne države.

Oblikovanje / metodologija / pristop: Študija uporablja sekundarne in primarne informacije. Sekundarni podatki se zbirajo iz strokovnih revij in strokovno recenziranih akademskih revij, ki jih pred objavo akademski kolegi ocenjujejo in sicer se oceni njihova kakovost in ustreznost. Primarni podatki se zbirajo z izvedbo ankete. Sekundarni podatki, tj. prejšnje ugotovitve so bile povzete in kritično analizirane, da se zagotovi osnova za zbiranje osnovnih podatkov kot tudi za statistične analize.

Osnovni podatki se zbirajo z izvedbo ankete. Vprašalnik je izpolnilo 228 anketirancev. Vprašalnik je bil sestavljen iz treh glavnih delov, v katerih so morali anketiranci oceniti skupino izjav po 5-stopenjski Likertovi lestvici. Prvi del se je osredotočil na nacionalne stereotipe, kjer je bila posebna skupina izjav posvečena dimenziji kompetentnosti ter dimenziji topline. Drugi del vprašalnika se je osredotočil na splošno podobo države, zadnji del pa na podobe izdelka iz posamezne države. Poleg glavnih delov je vprašalnik sprva vseboval presejalno vprašanje, vprašanje v zvezi z identifikacijo izvora blagovne znamke in na koncu še skupino demografskih vprašanj. Podatke, zbrane iz vprašalnika, sem obdelala s pomočjo programske opreme SPSS (Statistični paket za družbene vede).

Ugotovitve: Rezultati analize kažejo, da so stereotipi o usposobljenosti in topline pozitivno povezani s podobo države in podobo izdelka iz posamezne države. Dimenzija zaznane kompetence je imela pomemben neposreden vpliv na podobo države in podobo izdelka iz posamezne države, kar pomeni, da je višje dojemanje kompetenc povezano z bolj pozitivno podobo države in dojemanjem podobe izdelka iz posamezne države.

Obstaja pozitivno neposredno razmerje med zaznano toploto in podobo izdelka iz posamezne države, vendar je moč povezave šibkejša od razmerja med zaznano kompetenco in podobo države. Razmerje med zaznano toplino in podobo izdelka iz posamezne države je delno posredovana skozi podobo države, kar pomeni, da podoba države služi razjasnitvi razmerja med zaznano toploto in podobo izdelka iz posamezne države. Vendar ta povezava ni zelo močna, kar kaže, da so potrošniki lahko prepričani v svoje znanje o podobi izdelka iz posamezne države in ne uporabljajo podobe države. Rezultati kažejo tudi pozitivno neposredno razmerje med podobo države in podobo izdelka iz posamezne države, kar pomeni, da so višje vrednosti pozitivnega dojemanja podobe države povezane z večjo percepcijo podobe izdelka iz posamezne države.

Moč razmerja med zaznano usposobljenostjo, podobo države in podobo izdelka iz posamezne države se ni razlikovala od države do države. Glavna razlika je med zaznano toplino in podobo države. Rezultati kažejo, da v primeru Japonske in Francije obstaja statistično pomemben odnos med zaznano toplino in podobo države, vendar zaznana toplina nima statistično pomembnega vpliva na podobo države v Nemčiji.

Stereotipi so močno povezani z oblikovanjem splošnejše podobe države. Ugotovitve pa kažejo, da je stereotip kompetenc bolj diagnostičen kot toplotni stereotip. Iz tega lahko zaključim, da bodo makedonski potrošniki verjetno uporabili oba stereotipa v procesu sprejemanja odločitev, vendar je vpliv percepcije usposobljenosti verjetno večji od vpliva percepcije topline.

Omejitve / posledice raziskav: Študija se osredotoča na eno samo kategorijo izdelkov in en sam ciljni trg, ki omejuje možnosti posploševanja ugotovitev študije. Poleg tega se študija osredotoča le na to, kako nacionalni stereotipi vplivajo na podobo države in podobo izdelka iz posamezne države, vendar ne upošteva, kako je povezana z oceno izdelka in nameni nakupa. Poleg tega je pomembno opozoriti, da študija temelji na vzorcu študentov, vzorec pa je pristranski do določene populacije, torej generacije Y in generacije Z. Pri tem poudarjam da na ta način ugotovitve morda ne bodo uporabne za druge generacije. Tudi vzorec 228 anketirancev je temeljil na tehniki vzorčenja, ki jo sestavljajo večinoma ljudje, ki živijo v vzhodnem delu države, medtem ko na zahodnemu delu ni posvečeno veliko pozornosti. To kaže na to, da je splošnost ugotovitev morda zelo omejena in obstaja verjetnost, da ti naključno izbrani ljudje makedonske populacije ne predstavljajo celote zelo

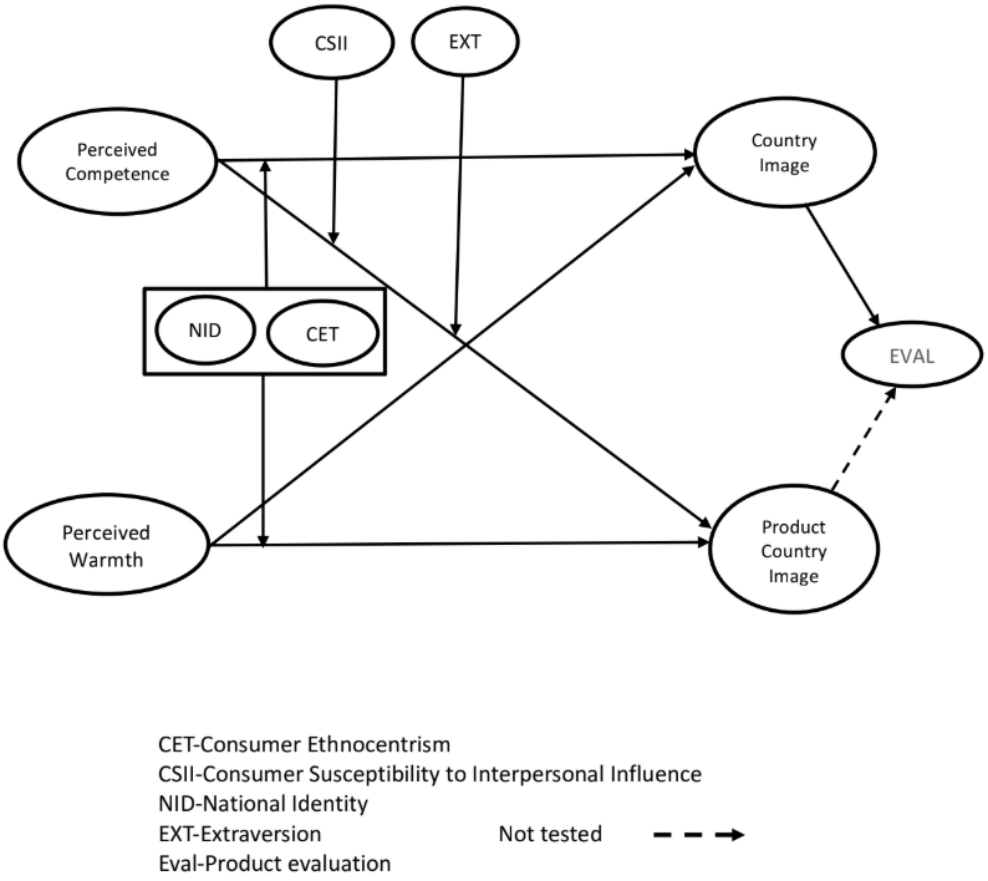
dobro. Nazadnje razmerje med zaznano toplino in podobo države v primeru Nemčije ni bilo statistično pomembno, zato sta obe hipotezi v študiji le delno potrjeni.

Praktične posledice: Ustrezno razumevanje vpliva nacionalnih stereotipov lahko menadžerjem pomaga najti njihov izvor, blagovno znamko, označevanje in promocijskih dejavnosti (Chattalas & Takada, 2013). Zato s praktičnega vidika ta študija prispeva k bolj poglobljenemu razumevanju nacionalnih stereotipov kot gonilne učinke države izvora, kar lahko koristi menadžerjem, če jim omogočimo boljši vpogled v upravljanje porekla države izdelkov in razvijanje mednarodnih marketinških strategij. To je lahko zelo pomembno za korporacije, ki delujejo v različnih nacionalnih okoliščinah, ki lahko izkoristijo zaznane prednosti nacionalne podobe podjetij in stereotipe, ki to poudarjajo.

Izvirnost / vrednost: Kot smo razpravljali pred akademskim raziskovanjem, smo prepoznali pomen države izvora pri odločanju potrošnikov na različnih področjih (Chattalas, Takada & Kramer, 2008). Vendar številni raziskovalci opozarjajo, da so bili predhodniki(antecedent) države izvora deležni zelo malo pozornosti (Chattalas, Takada & Kramer, 2008; Gartner, 2011; Chattalas & Takada, 2013; Chattalas, 2015; Andéhn, Gloukhovtsev & Schouten, 2016; Lu, Heslop, Thomas & Kwan, 2016), kar je šokantno, če upoštevamo da je močan vpliv države izvora na trg (Chattalas, Takada & Kramer, 2008). Poleg tega sta Chattalas in Takada (2013) ugotovila, da v literaturi primanjkuje raziskav o tem, kako sistematične razlike v vsebini nacionalnih stereotipov vplivajo na pričakovanja potrošnikov. Ta študija obravnava to pomanjkljivost v literaturi in prispeva k literaturi z raziskovanjem vloge nacionalnih stereotipov kot predhodnika ocenjevanja države izvora. Poleg tega prejšnje študije kažejo, da bi bilo za prihodnje raziskave na to temo zelo pomembno preučiti različne kategorije izdelkov in različne države (Motsi, 2016; Drozdenko & Jensen, 2009). To vodi k drugemu pomembnemu prispevku te študije kot edine tovrstne raziskave, ki je bila izvedena na območju Makedonije. To je zelo pomembno glede na to, da "SCM temelji na tem, kakšen je pogled skupine zunanjih skupin glede na položaj, ki ga zaseda notranja skupina" (Motsi, 2016, str. 104), kar pomeni, da imajo potrošniki iz različnih držav različne poglede na stereotipe o usposobljenosti in toplini ter ugotovitve prejšnjih študij morda ne bodo uporabne za makedonske potrošnike. Nazadnje je najpomembnejši prispevek študije ta, da kaže, da so dejavniki nacionalnih stereotipov prisotni med makedonskimi potrošniki in da vplivajo na državo porekla skozi vpliva na podobo in podobo izdelka iz posamezne države.

Appendix B: Conceptual model

Figure 1. Conceptual model



Source: Motsi (2016).

Appendix C: Questionnaire (English version)

QUESTIONNAIRE

Hey! ☺

Glad to see you around here! First of all, let me thank you for taking this 10-minute long survey. You are a great help! ☺

I am on a daring quest to collect the right data for my Master's thesis titled "National Stereotypes as Drivers of the County-of-Origin Effects: Analysis of the car market in North Macedonia."

Do not worry! This is not a test, and there are no right or wrong answers. Therefore, please do not use google or help from a friend when answering the questions. This survey is completely anonymous, and your data is going to be used only for this research. Pinkie promise!

If you have any questions or would like to know the final results of my research, please feel free to email me: mimigalabovska@gmail.com.

My target population is the Millennials, born between the year 1980 and 2000, and the focus is on the North Macedonian consumers. If you fit in my target population, please answer 'yes' to the questions below and continue with the questionnaire. If not, you can finish the questionnaire here. Thank you for stopping by :)

	No	Yes
Were you born between 1980 and 2000?	□	□
Are you a North Macedonian citizen?	□	□

Before we start, could you please, if you know it, write the country of origin of the listed brands:

Volkswagen		
Toyota		
Kia		
Dacia		
Ford		
Citroen		

I. The following two sets of questions refer to the national stereotypes, connected with the listed counties, that are present among North Macedonians.

.....

.

1. **Please evaluate how much the given attributes describe each of the countries listed below or their people.** When answering, please fill in all empty fields with numbers ranging from 0 to 5, with regard to the following scale:

   1 - Not at All
   2 – Slightly
   3 – Moderately
   4 – Very
   5 – Extremely
   0- Don't Know

	Germany	Japan	France
The attribute efficient describes			
The attribute intelligent describes			
The attribute capable describes			
The attribute competent describes			

2. **Please evaluate how much the given attributes describe each of the countries listed below.** When answering, please fill in all empty fields with numbers ranging from 0 to 5, with regard to the following scale:

   1 - Not at All
   2 – Slightly
   3 – Moderately
   4 – Very
   5 – Extremely
   0- Don't Know

	Germany	Japan	France
The attribute good-natured describes			
The attribute friendly describes			
The attribute kind describes			
The attribute warm describes			

II. The statements below refer to the general country image and your beliefs about particular countries.

.....
.

3. Please indicate how much do you agree with the statements listed below about Germany.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	I don't know
Germany has a high level of technological research	1	2	3	4	5	x
Germany has a high standard of living	1	2	3	4	5	x
Germany has a high level of industrialization	1	2	3	4	5	x
Germany has a highly developed economy	1	2	3	4	5	x
Germany has a free-market system	1	2	3	4	5	x
Germany is democratic	1	2	3	4	5	x
Germany has high literacy-rate	1	2	3	4	5	x

4. Please indicate how much do you agree with the statements listed below about Japan.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	I don't know
Japan has a high level of technological research	1	2	3	4	5	x
Japan has a high standard of living	1	2	3	4	5	x
Japan has a high level of industrialization	1	2	3	4	5	x
Japan has a highly developed economy	1	2	3	4	5	x
Japan has a free-market system	1	2	3	4	5	x
Japan is democratic	1	2	3	4	5	x
Japan has high literacy-rate	1	2	3	4	5	x

5. Please indicate how much do you agree with the statements listed below about France.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	I don't know
France has a high level of technological research	1	2	3	4	5	x
France has a high standard of living	1	2	3	4	5	x
France has a high level of industrialization	1	2	3	4	5	x
France has a highly developed economy	1	2	3	4	5	x
France has a free-market system	1	2	3	4	5	x
France is democratic	1	2	3	4	5	x
France has high literacy-rate	1	2	3	4	5	x

III. The following set of questions refer to the product country image and your beliefs about the car brands originating from the given countries.

.....

6. For the countries listed below, how do you perceive the innovativeness of their cars, where Innovativeness means the use of new technology and engineering advances. (Please evaluate the innovativeness with a grade from 1-5, where 1 means not innovative and 5 means innovative).

Germany	Not innovative	1	2	3	4	5	Innovative
Japan	Not innovative	1	2	3	4	5	Innovative
France	Not innovative	1	2	3	4	5	Innovative

7. For the countries listed below, how do you perceive the design of their cars, where design means appearance, style, colors, and variety. (Please evaluate the attractiveness with a grade from 1-5, where 1 means unattractive design and 5 means attractive design).

Germany	Unattractive design	1	2	3	4	5	Attractive design
Japan	Unattractive design	1	2	3	4	5	Attractive design
France	Unattractive design	1	2	3	4	5	Attractive design

8. **For the countries listed below, how do you perceive the prestige of their cars, where prestige means exclusivity, status, and brand name reputation.** (Please evaluate the prestige with a grade from 1-5, where 1 means low prestige and 5 means high prestige).

Germany	Low prestige	1	2	3	4	5	High prestige
Japan	Low prestige	1	2	3	4	5	High prestige
France	Low prestige	1	2	3	4	5	High prestige

9. **For the countries listed below, how do you perceive the workmanship of their cars, where workmanship means reliability, durability, craftsmanship, manufacturing quality.** (Please evaluate the workmanship with a grade from 1-5, where 1 means bad workmanship and 5 means good workmanship)**.**

Germany	Bad Workmanship	1	2	3	4	5	Good Workmanship
Japan	Bad Workmanship	1	2	3	4	5	Good Workmanship
France	Bad Workmanship	1	2	3	4	5	Good Workmanship

IV. This question relates to the importance of car features when buying a new car.

…….....
.

10. **In your opinion, to which extent each of the four dimensions listed below is an important criterion to evaluate a car?**

	Not at All	Slightly	Moderately	Very	Extremely	Don't know
Innovativeness	1	2	3	4	5	x
Prestige	1	2	3	4	5	x
Design	1	2	3	4	5	x
Workmanship	1	2	3	4	5	x

V. Finally, I kindly ask you to provide some information about yourself.

…….....

.

1. Do you own/drive a car?

	No	Yes
I own a car	☐	☐
I drive a car but am not the owner	☐	☐
I am planning to buy a car until the end of this year	☐	☐

2. Year of birth: 19_____

3. Your place of residence (where you stay at least 3 days a week):

☐ City (more than 100.000 inhabitants)

☐ Town (from 10,000 to 100,000 inhabitants)

☐ Village (up to 10,000 inhabitants

4. Gender:

☐ Male

☐ Female

You answered all the questions, and I personally want to thank you for every second invested in my research.

Mimoza
Galabovska

Appendix D: Questionnaire (Macedonian version)

АНКЕТА

Здраво ☺

Среќна сум што сте тука! Најпрво, сакам да Ви се заблагодарам за пополнувањето на овој 10 минути долг прашалник. Навистина сте од голема помош ☺

Јас сум во смела потрага да ги соберам вистинските податоци за мојата магистерска теза со наслов: „Влијанието на националните стереотипи врз ефектите на земја на потекло на производите: Анализа на автомобилскиот пазар во Македонија".

И не грижете се, ова не е тест, нема точни и неточни одговори. Анкетата е комплетно анонимна и вашите податоци ќе бидат искористени само за потребите на ова истражување. Чесен збор!

Доколку имате прашања или би сакале да ги дознаете резултатите од моето истражување, слободно пратете ми е-маил на mimigalabovska@gmail.com.

Мојата целна група е генерацијата Y, односно луѓе родени помеѓу 1980 и 2000 година. Фокусот е на македонските потрошувачи. Доколку припаѓате во оваа група, ве молам одговорете „да" на прашањата подолу и продолжете со прашалникот. Доколку не припаѓате, можете да го завршите прашалникот овде.

	Не	Да
Дали сте родени помеѓу 1980 и 2000 година?	□	□
Дали сте македонски граѓанин?	□	□

Пред да почнеме, ве молам во празните полиња, доколку ја знаете, напиште ја земјата на потекло на дадените брендови:

Volkswagen	
Toyota	
Kia	
Dacia	
Ford	
Citroen	

I. Следните две групи на прашања се однесуваат на националните стереотипи присутни помеѓу македонците за дадените земји.

.....

1. **Најпрво, љубезно ве замолувам да оцените до кој степен дадените атрибути ја опишуваат секоја од наведените земји, односно нивните граѓани.** При одговарањето, ве молам пополнете ги сите празни полиња со броеви од 0 до 5 земјаќи ја во предвид следната скала:

   1 – Воопшто не ја опишува
   2 – Малку ја опишува
   3 – Делумно ја опишува
   4 – Многу ја опишува
   5 – Потполно ја опишува
   0 – Не знам

	Германија	Јапонија	Франција
Атрибутот „ефикасен” ја опишува			
Атрибутот „интелигентен” ја опишува			
Атрибутот „способен” ја опишува			
Атрибутот „компетентен” ја опишува			

2. **Љубезно ве замолувам да оцените до кој степен дадените атрибути ја опишуваат секоја од наведените земји, односно нивните граѓани.** *При одговарањето, ве молам пополнете ги сите празни полиња со броеви од 0 до 5 земајќи ја во предвид следната скала:*

   1 – Воопшто не ја опишува
   2 – Малку ја опишува
   3 – Делумно ја опишува
   4 – Многу ја опишува
   5 – Потполно ја опишува
   0 – Не знам

	Германија	Јапонија	Франција
Атрибутот „добродушен” ја опишува			
Атрибутот „пријателски настроен” ја опишува			
Атрибутот „љубезен” ја опишува			
Атрибутот „топол” ја опишува			

II. Тврдењата подолу се однесуваат на општата слика за земјата и вашето мислење за дадените земји.

.....

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3. Ве молам заокружете до кој степен се согласувате со изјавите за Германија наведени подолу.

	Воопшто не се согласувам	Не се согласувам	Не можам да одлучам	Се согласувам	Потполно се согласувам	Не знам
Германија има висок степен на технолошко истражување	1	2	3	4	5	x
Германија има висок стандард на живеење	1	2	3	4	5	x
Германија има високо ниво на индустријализација	1	2	3	4	5	x
Германија има високо развиена економија	1	2	3	4	5	x
Германија има систем на слободен пазар	1	2	3	4	5	x
Германија е демократска држава	1	2	3	4	5	x
Германија има висока стапка на писменост	1	2	3	4	5	x

4. Ве молам заокружете до кој степен се согласувате со изјавите за Јапонија наведени подолу.

	Воопшто не се согласувам	Не се согласувам	Не можам да одлучам	Се согласувам	Потполно се согласувам	Не знам
Јапонија има висок степен на технолошко истражување	1	2	3	4	5	x
Јапонија има висок стандард на живеење	1	2	3	4	5	x
Јапонија има високо ниво на индустријализација	1	2	3	4	5	x
Јапонија има високо развиена економија	1	2	3	4	5	x
Јапонија има систем на слободен пазар	1	2	3	4	5	x
Јапонија е демократска држава	1	2	3	4	5	x
Јапонија има висока стапка на писменост	1	2	3	4	5	x

5. **Ве молам заокружете до кој степен се согласувате со изјавите за Франција наведени подолу.**

	Воопшто не се согласувам	Не се согласувам	Не можам да одлучам	Се согласувам	Потполно се согласувам	Не знам
Франција има висок степен на технолошко истражување	1	2	3	4	5	x
Франција има висок стандард на живеење	1	2	3	4	5	x
Франција има високо ниво на индустријализација	1	2	3	4	5	x
Франција има високо развиена економија	1	2	3	4	5	x
Франција има систем на слободен пазар	1	2	3	4	5	x
Франција е демократска држава	1	2	3	4	5	x
Франција има висока стапка на писменост	1	2	3	4	5	x

III. Следната група прашања се однесува на сликата за земјата од која потекнува производот, односно вашето мислење за автомобилите кои потекнуваат од дадените земји.

.....

6. **Кое е вашето мислење за иновативноста на автомобилите за секоја од земјите дадени подолу, каде што иновативност значи употреба на нови технологии и унапредувања во инженерството?** *(Оценете ја иновативноста со оценка од 1 – 5 каде што 1 е најнеиновативни, 5 најиновативни).*

Германија	Неиновативни	1	2	3	4	5	Иновативни
Јапонија	Неиновативни	1	2	3	4	5	Иновативни
Франција	Неиновативни	1	2	3	4	5	Иновативни

7. **Кое е вашето мислење за дизајнот на автомобилите за секоја од земјите дадени подолу, каде што дизајн значи изглед, стил, бои и модели.** *(Оценете го дизајнот со оценка од 1 – 5 каде што 1 е неатрактивен дизајн, 5 атрактивен дизајн).*

Германија	Неатрактивен дизајн	1	2	3	4	5	Атрактивен дизајн
Јапонија	Неатрактивен дизајн	1	2	3	4	5	Атрактивен дизајн
Франција	Неатрактивен дизајн	1	2	3	4	5	Атрактивен дизајн

8. **Кое е вашето мислење за престижот на автомобилите за секоја од земјите дадени подолу, каде што престиж значи ексклузивност, статус и репутација на брендот.** *(Оценете го престижот со оценка од 1 – 5 каде што 1 е низок престиж, 5 висок престиж).*

Германија	Ниско престижни	1	2	3	4	5	Високо престижни
Јапонија	Ниско престижни	1	2	3	4	5	Високо престижни
Франција	Ниско престижни	1	2	3	4	5	Високо престижни

9. **Кое е вашето мислење за изработката на автомобилите кои потекнуваат од секоја од земјите дадени подолу, каде што изработка значи сигурност, издржливост и квалитетно производство.** *(Оценете ја изработката со оценка од 1 – 5 каде што 1 е лоша изработка, 5 добра изработка).*

Германија	Лоша изработка	1	2	3	4	5	Добра изработка
Јапонија	Лоша изработка	1	2	3	4	5	Добра изработка
Франција	Лоша изработка	1	2	3	4	5	Добра изработка

IV. Ова прашање се однесува на важноста на карактеристиките на автомобилот при неговото купување.

…….....
.

10. **Според ваше мислење, до кој степен секоја од дадените четири димензии е значаен критериум за оценување на автомобил?**

	Воопшто не значаен	Малку значаен	Делумно значаен	Многу значаен	Потполно значаен	Не знам
Иновативност	1	2	3	4	5	x
Престиж	1	2	3	4	5	x
Дизајн	1	2	3	4	5	x
Изработка	1	2	3	4	5	x

V. За крај, љубезно ве замолувам да дадете неколку информации за вас.

…….....
.

11. Дали сте сопственик на автомобил?

	Не	Да
Имам свој автомобил	□	□
Возам автомобил, но не сум сопственик	□	□
Планирам да купам автомобил до крајот на годината	□	□

12. Година на раѓање 19_____

13. Вашето место на живеење (каде што поминувате најмалку 3 дена во неделата): (*ве молам означете)*

□ Голем град (повеќе од 100.000 жители)

□ Мал град (од 10,000 до 100,000 жители)

□ Село (до 10,000 жители)

14. Пол: (*ве молам означете)*

□ Машки

□ Женски

Ги одговоривте сите прашања и јас лично сакам да Ви се заблагодарам за секоја ваша секунда инвестирана во моето истражување.

Мимоза
Галабовска

Appendix E: Hypotheses output

H1a: Perceived competence is positively related to the general country image (CI).

Correlations

Imputation Number			CI_ALL	COMP_ALL
Pooled	CI_ALL	Pearson Correlation	1	.473**
		Sig. (2-tailed)		0.000
		N	228	228
	COMP_ALL	Pearson Correlation	.473**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Competence and Country Image in the Case of Germany

Correlations

Imputation Number			CI_DE	COMP_DE
Pooled	CI_DE	Pearson Correlation	1	.493**
		Sig. (2-tailed)		0.000
		N	228	228
	COMP_DE	Pearson Correlation	.493**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Competence and Country Image in the Case of Japan

Correlations

Imputation Number			COMP_JPN	CI_JPN
Pooled	COMP_JPN	Pearson Correlation	1	.412**
		Sig. (2-tailed)		0.000
		N	228	228
	CI_JPN	Pearson Correlation	.412**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Competence and Country Image in the Case of France

Correlations

Imputation Number			COMP_FR	CI_FR
Pooled	COMP_FR	Pearson Correlation	1	.436**
		Sig. (2-tailed)		0.000
		N	228	228
	CI_FR	Pearson Correlation	.436**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

H1b: Perceived competence is positively related to the product-country image (PCI).

Correlations

Imputation Number			COMP_ALL	PCI_ALL
Pooled	COMP_ALL	Pearson Correlation	1	.253**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_ALL	Pearson Correlation	.253**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Competence and Product-country Image in the Case of Germany

Correlations

Imputation Number			COMP_DE	PCI_DE
Pooled	COMP_DE	Pearson Correlation	1	.304**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_DE	Pearson Correlation	.304**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Competence and Product-country Image in the Case of Japan

Correlations

Imputation Number			COMP_JPN	PCI_JPN
Pooled	COMP_JPN	Pearson Correlation	1	.436**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_JPN	Pearson Correlation	.436**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Competence and Product-country Image in the Case of France

Correlations

Imputation Number			COMP_FR	PCI_FR
Pooled	COMP_FR	Pearson Correlation	1	.272**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_FR	Pearson Correlation	.272**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

H2a: Perceived warmth is positively related to the general country image (CI).

Correlations

Imputation Number			CI_ALL	WARMTH_ALL
Pooled	CI_ALL	Pearson Correlation	1	.188**
		Sig. (2-tailed)		0.005
		N	228	228
	WARMTH_ALL	Pearson Correlation	.188**	1
		Sig. (2-tailed)	0.005	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Warmth and Country Image in the Case of Germany

Correlations

Imputation Number			CI_DE	WARMTH_DE
Pooled	CI_DE	Pearson Correlation	1	0.026
		Sig. (2-tailed)		0.704
		N	228	228
	WARMTH_DE	Pearson Correlation	0.026	1
		Sig. (2-tailed)	0.704	
		N	228	228

Pearson's Correlation Coefficient on the Relationship Between Perceived Warmth and Country Image in the Case of Japan

Correlations

Imputation Number			WARMTH_JPN	CI_JPN
Pooled	WARMTH_JPN	Pearson Correlation	1	.222**
		Sig. (2-tailed)		0.002
		N	228	228
	CI_JPN	Pearson Correlation	.222**	1
		Sig. (2-tailed)	0.002	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Perceived Warmth and Country Image in the Case of France

Correlations

Imputation Number			WARMTH_FR	CI_FR
Pooled	WARMTH_FR	Pearson Correlation	1	.241**
		Sig. (2-tailed)		0.001
		N	228	228
	CI_FR	Pearson Correlation	.241**	1
		Sig. (2-tailed)	0.001	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

H2b: The relationship between perceived warmth and PCI is mediated through CI.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.761	0.061		61.819	0.000
	WARMTH_ALL	0.116	0.018	0.171	6.404	0.000

a. Dependent Variable: PCI_ALL

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.697	0.061		60.552	0.000
	WARMTH_ALL	0.123	0.018	0.180	6.775	0.000

a. Dependent Variable: CI_ALL

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.758	0.105		26.378	0.000
	CI_ALL	0.338	0.025	0.339	13.323	0.000

a. Dependent Variable: PCI_ALL

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.585	0.111		23.346	0.000
	CI_ALL	0.318	0.026	0.320	12.438	0.000
	WARMTH_ALL	0.077	0.018	0.113	4.401	0.000

a. Dependent Variable: PCI_ALL

Mediating effects in the case of Japan

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.655	0.204		17.925	0.000
	WMT_JPN	0.130	0.055	0.157	2.344	0.020

a. Dependent Variable: PCI_JPN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.552	0.177		20.035	0.000
	WMT_JPN	0.164	0.048	0.226	3.410	0.001

a. Dependent Variable: CI_JPN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.502	0.293		8.554	0.000
	CI_JPN	0.392	0.070	0.350	5.603	0.000

a. Dependent Variable: PCI_JPN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.226	0.325		6.859	0.000
	CI_JPN	0.404	0.074	0.355	5.477	0.000
	WARMTH_JPN	0.063	0.053	0.076	1.174	0.242

a. Dependent Variable: PCI_JPN

Mediating effects in the case of France

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.152	0.182		17.360	0.000
	WMT_FR	0.200	0.051	0.256	3.92	0.000

a. Dependent Variable: PCI_FR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.390	0.164		20.676	0.000
	WMT_FR	0.172	0.046	0.245	3.719	0.000

a. Dependent Variable: CI_FR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.221	0.264		8.401	0.000
	CI_FR	0.408	0.066	0.384	6.203	0.000

a. Dependent Variable: PCI_FR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.944	0.297		6.552	0.000
	CI_JPN	0.371	0.071	0.335	5.203	0.000
	WARMTH_FR	0.123	0.050	0.158	2.452	0.015

a. Dependent Variable: PCI_FR

The output from the PROCESS macro tool for SPSS

```
************** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y **************

Total effect of X on Y
     Effect         se          t          p       LLCI       ULCI       c_ps       c_cs
      .1163      .0182     6.4043      .0000      .0807      .1520      .2649      .1708

Direct effect of X on Y
     Effect         se          t          p       LLCI       ULCI      c'_ps      c'_cs
      .0771      .0175     4.4013      .0000      .0427      .1114      .1755      .1131

Indirect effect(s) of X on Y:
           Effect     BootSE   BootLLCI   BootULCI
CI_ALL      .0393      .0067      .0265      .0529

Partially standardized indirect effect(s) of X on Y:
           Effect     BootSE   BootLLCI   BootULCI
CI_ALL      .0894      .0149      .0607      .1191

Completely standardized indirect effect(s) of X on Y:
           Effect     BootSE   BootLLCI   BootULCI
CI_ALL      .0577      .0097      .0392      .0769

************** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y **************

Total effect of X on Y
     Effect         se          t          p       LLCI       ULCI       c_ps       c_cs
      .1238      .0221     5.6035      .0000      .0805      .1671      .1925      .1504

Direct effect of X on Y
     Effect         se          t          p       LLCI       ULCI      c'_ps      c'_cs
      .0638      .0215     2.9739      .0030      .0217      .1059      .0993      .0776

Indirect effect(s) of X on Y:
           Effect     BootSE   BootLLCI   BootULCI
CI_JPN      .0600      .0079      .0448      .0755

Partially standardized indirect effect(s) of X on Y:
           Effect     BootSE   BootLLCI   BootULCI
CI_JPN      .0933      .0121      .0698      .1173

Completely standardized indirect effect(s) of X on Y:
           Effect     BootSE   BootLLCI   BootULCI
CI_JPN      .0729      .0096      .0544      .0920

************** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y **************

Total effect of X on Y
     Effect         se          t          p       LLCI       ULCI       c_ps       c_cs
      .1954      .0205     9.5393      .0000      .1552      .2356      .2971      .2508

Direct effect of X on Y
     Effect         se          t          p       LLCI       ULCI      c'_ps      c'_cs
      .1351      .0200     6.7576      .0000      .0959      .1744      .2055      .1734

Indirect effect(s) of X on Y:
          Effect     BootSE   BootLLCI   BootULCI
CI_FR      .0602      .0082      .0447      .0772

Partially standardized indirect effect(s) of X on Y:
          Effect     BootSE   BootLLCI   BootULCI
CI_FR      .0916      .0123      .0680      .1163

Completely standardized indirect effect(s) of X on Y:
          Effect     BootSE   BootLLCI   BootULCI
CI_FR      .0773      .0105      .0570      .0989
```

H3: Country image (CI) is positively related to the product-country image (PCI).

Correlations

Imputation Number			PCI_ALL	CI_ALL
Pooled	PCI_ALL	Pearson Correlation	1	.337**
		Sig. (2-tailed)		0.000
		N	228	228
	CI_ALL	Pearson Correlation	.337**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Country Image and Product-country image in the Case of Germany

Correlations

Imputation Number			CI_DE	PCI_DE
Pooled	CI_DE	Pearson Correlation	1	.286**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_DE	Pearson Correlation	.286**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Country Image and Product-country image in the Case of Japan

Correlations

Imputation Number			CI_JPN	PCI_JPN
Pooled	CI_JPN	Pearson Correlation	1	.339**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_JPN	Pearson Correlation	.339**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient on the Relationship Between Country Image and Product-country image in the Case of France

Correlations

Imputation Number			CI_FR	PCI_FR
Pooled	CI_FR	Pearson Correlation	1	.360**
		Sig. (2-tailed)		0.000
		N	228	228
	PCI_FR	Pearson Correlation	.360**	1
		Sig. (2-tailed)	0.000	
		N	228	228

**. Correlation is significant at the 0.01 level (2-tailed).