

# **The Country of Origin Effect in modern-day Marketing Communication**

*An empirical Case Study of*

*Josef Manner & Comp AG and Almdudler A. & S. Klein GmbH  
& Co KG*

**Nicola Christina Eder**

**Veileder: Professor Leif Egil Hem**

Master Thesis in Marketing and Brand Management

**NORGES HANDELSHØYSKOLE**

This thesis was written as a part of the Master of Science in Economics and Business Administration program - Major in International Business. Neither the institution, nor the advisor is responsible for the theories and methods used, or the results and conclusions drawn, through the approval of this thesis.

## Acknowledgements

I would like to take this opportunity to show my gratitude to all the people involved in the creation of this piece of research.

First of all I would like to thank my supervisor Professor Leif Egil Hem not only for his constructive feedback and valuable inputs during the process of writing, but also for evoking a special interest for brand management on my side during his lectures.

My appreciation also goes to my interview partners Thomas Klein and Dr. Alfred Schrott, who substantially contributed to this thesis by giving me the chance to gain first-hand insights into the communication strategies pursued by their companies.

Furthermore, a special thank you to all my friends contributing with comments and advice, in particular in Bergen (PK) and Milan (AVA).

Finally I would like to thank my family, especially my parents for their endless support, their positive attitude in every life situation and for encouraging me in all my choices.

## Table of Contents

<b>Acknowledgements</b> .....	<b>2</b>
<b>Table of Graphs &amp; Figures</b> .....	<b>5</b>
<b>Abstract</b> .....	<b>6</b>
<b>1. Introduction</b> .....	<b>7</b>
1.1. Background of the thesis .....	7
1.2. The Research Questions .....	8
<b>2. Theoretical Background</b> .....	<b>10</b>
2.1. The country origin paradigm in international marketing .....	10
2.2. Country of Origin Image .....	11
2.3. Definitions .....	11
2.3.1. <i>Product Country Image</i> .....	12
2.3.2. <i>Contextualised Product Place Image</i> .....	12
2.3.3. <i>Brand Origin</i> .....	12
2.4. Country of Origin as an Information Cue .....	13
2.5. Country Images, Country Stereotypes & their Implications .....	14
2.6. Influencing Variables .....	16
2.6.1. <i>Consumer Characteristics</i> .....	16
2.6.2. <i>Consumer Nationalism</i> .....	16
2.6.3. <i>Animosity</i> .....	17
2.6.4. <i>Xenophilia</i> .....	17
2.6.5. <i>Familiarity and Previous Experience</i> .....	18
2.6.6. <i>High vs. Low-Involvement Products</i> .....	18
2.6.7. <i>Specialization</i> .....	18
2.7. Information Processing and Attitude Formation .....	19
2.7.1. <i>Country of Origin and Product Evaluation Process</i> .....	19
2.7.2. <i>Country Image as a Halo or Summary Construct Model</i> .....	20
2.7.3. <i>Cognitive, affective and normative mechanisms for country of origin</i> .....	22
2.8. Recent Research and Trends in the Country of Origin Research.....	24
<b>3. The Brand Origin Concept</b> .....	<b>26</b>
<b>4. Origin Information Communication</b> .....	<b>28</b>
<b>5. Country of Origin Marketing Communication Strategy</b> .....	<b>30</b>
5.1. Country Image-Product Match.....	30
5.2. Country of Origin Management over time .....	30
<b>6. Country of Origin and Brand Equity</b> .....	<b>32</b>
6.1. The brand equity concept .....	32
6.2. Brand Equity, Secondary Brand Associations and Country of Origin.....	33
6.2.1. <i>Creation of New Brand Associations</i> .....	34
6.2.2. <i>How to implement Secondary Brand Associations</i> .....	36
<b>7. Methodology</b> .....	<b>38</b>
<b>THE CASES</b> .....	<b>41</b>
<b>8. MANNER - Josef Manner &amp; Comp AG</b> .....	<b>41</b>
8.1. The Country of Origin Communication Strategy.....	44
8.1.1. <i>The Product: Manner Original Neapolitaner Wafers</i> .....	44
8.2. Marketing Communication of the Country of Origin.....	45
8.2.1. <i>The brand name</i> .....	45
8.2.2. <i>The Packaging Design</i> .....	45
8.2.3. <i>Slogan</i> .....	46
8.2.4. <i>Stephansdom</i> .....	46

8.2.5.	<i>Distribution and Points of Purchase</i> .....	47
8.2.6.	<i>Country Symbols and Representatives</i> .....	47
8.2.7.	<i>Television Copies</i> .....	48
8.3.	Vienna versus Austria.....	49
8.4.	Sports Sponsoring.....	49
8.5.	The new international umbrella brand campaign 2012.....	50
8.6.	Other related tools indirectly communicating the Country of Origin.....	52
8.6.1.	<i>Bonbonball</i> .....	52
8.6.2.	<i>Baking Platform</i> .....	52
8.6.3.	<i>Merchandising</i> .....	52
8.7.	Resume: Interview with Dr. Alfred Schrott (Chief Marketing and Customer Officer at Manner AG).....	53
8.7.1.	<i>Stereotypes and Images</i> .....	53
8.7.2.	<i>Negative Aspects to consider</i> .....	54
8.7.3.	<i>Within country considerations</i> .....	54
8.7.4.	<i>Export Origin Communication Strategy</i> .....	54
8.7.5.	<i>Brand Communication Issues linked to Austria</i> .....	55
8.7.6.	<i>Company Culture and Values</i> .....	55
8.7.7.	<i>Country of Origin Communication over the Product Life Cycle</i> .....	56
<b>9.</b>	<b>Almdudler - A. &amp; S. Klein GmbH &amp; Co KG</b> .....	<b>57</b>
9.1.	The Country of Origin Communication Strategy.....	60
9.1.1.	<i>The Product: Almdudler</i> .....	60
9.2.	Marketing Communication of the Country of Origin.....	61
9.2.1.	<i>The brand name</i> .....	61
9.2.2.	<i>The Packaging Design</i> .....	61
9.2.3.	<i>Slogan</i> .....	62
9.2.4.	<i>Distribution and Points of Purchase</i> .....	63
9.2.5.	<i>Country Symbols and representatives</i> .....	63
9.2.6.	<i>Advertising Copies</i> .....	64
9.2.7.	<i>Print</i> .....	65
9.3.	Almdudler and Austria.....	66
9.4.	Sports Sponsoring.....	66
9.5.	Trachtenpäarchen Ball.....	67
9.6.	Other related tools indirectly communicating the Country of Origin.....	67
9.6.1.	<i>Merchandise</i> .....	67
9.6.2.	<i>Hüttenguide</i> .....	68
9.6.3.	<i>Almdudler Herb Garden</i> .....	68
9.6.4.	<i>Almdudler National Costume Hats</i> .....	68
9.6.5.	<i>Almdudler National Costume design for Bottle</i> .....	68
9.7.	Resume: Interview with Thomas Klein (Former CEO, Company Owner and Board Member)	68
9.7.1.	<i>Stereotypes and Images</i> .....	69
9.7.2.	<i>Negative Aspects to consider</i> .....	69
9.7.3.	<i>Austria as Differentiator</i> .....	69
9.7.4.	<i>Export Origin Communication Strategy</i> .....	70
9.7.5.	<i>The headquarter in Vienna Grinzing</i> .....	71
9.7.6.	<i>The Company Culture and Values</i> .....	71
9.7.7.	<i>Management of the Country of Origin over the Product Life Cycle</i> .....	71
<b>10.</b>	<b>Concluding Analysis and Managerial Implications</b> .....	<b>74</b>
10.1.	Country of Origin as an Information Cue.....	74
10.2.	Country Images, Country Stereotypes & their Implications.....	75
10.3.	The Brand Origin and source of Brand Equity.....	76
10.4.	The Management of the Origin Information Cue over the PLC.....	78
10.5.	Influencing Variables.....	79
10.6.	Future Market Entry Considerations.....	80

10.7. Concluding Considerations on how to operationalize the Country of Origin Information Communication .....	82
<b>Bibliography .....</b>	<b>83</b>
<b>11. Appendix.....</b>	<b>91</b>
11.1. Question Guide for the semi structured Interview (English Translation).....	91
11.2. Images and Adverts .....	94

## Table of Graphs & Figures

FIGURE 1: INFORMATION CUES, GRAPHIC DEPICTION (ADAPTED FROM KELLER, 1993).....	13
FIGURE 2: COUNTRY OF ORIGIN AND PRODUCT EVALUATION PROCESS (ADAPTED FROM AHMED ET AL. 2004) .....	20
FIGURE 3 COUNTRY IMAGE AS A HALO .....	21
FIGURE 4: COUNTRY IMAGE AS A SUMMARY CONSTRUCT .....	21
FIGURE 5: SUMMARY TABLE OF COGNITIVE, AFFECTIVE AND NORMATIVE MECHANISMS FOR COUNTRY-OF-ORIGIN EFFECTS 24	
FIGURE 6: PLC MANAGEMENT SEE NISS (1996) ADAPTED FROM DJURSA, KRAGH, & HOLM MØLLER, (1991) .....	31
FIGURE 7: SECONDARY BRAND ASSOCIATIONS; ADAPTED FROM KELLER (2008, S. 280) “SECONDARY SOURCES OF BRAND KNOWLEDGE” .....	34
FIGURE 8: TRANSFER OF ASSOCIATIONS; ADAPTED FROM KELLER (2008, S. 283) “UNDERSTANDING TRANSFER OF BRAND KNOWLEDGE” .....	36
FIGURE 9: SUMMARY TABLE OF KEY INSIGHTS OF INTERVIEWS.....	73
FIGURE 10: PRODUCT THROUGHOUT THE YEARS (SEE MANNER PRESS KIT).....	94
FIGURE 11: STEPHANSDOM AS KEY VISUAL (SEE KÜHSCHELM 2005).....	94
FIGURE 12: PACKSHOT BACK.....	94
FIGURE 13: MANNER FIAKER AND MANNER TRAM (MANNER.COM).....	95
FIGURE 14: MANNER ADVERTISEMENTS (SEE MANNER.COM) .....	95
FIGURE 15: MANNER BRIEFMARKE AND BOX (SEE MANNER.COM).....	95
FIGURE 16: MANNNER SPORT SPONSORING (MANNER.COM) .....	96
FIGURE 17: MISS BONBON (SEE MANNER PRESS RELEASES) .....	96
FIGURE 18: COAT OF ARMS (ALMDUDLER FB PAGE).....	97
FIGURE 19: ALMDUDLER “FORM” BOTTLE AND THE COMPLETE PRODUCT LINE (ALMDUDLER.COM).....	97
FIGURE 20: THE TRACHTENPÄRCHEN THROUHOU THE YEARS (ALMDUDLER PRESSKIT 2012).....	98
FIGURE 21: ALMDUDLER CAN (ALMDUDLER.COM) .....	98
FIGURE 22: LOADING SCREENSHOT (ALMDUDLER.COM).....	98
FIGURE 23: SCREENSHOT ALMDUDLER WEBPAGE (ALMDUDLER.COM).....	99
FIGURE 24: TRADITIONAL CHALKBOARD FOR CHALETS (ALMDUDLER.COM).....	99
FIGURE 25: PRINT CAMPAIGN ENGLISH (ALMDUDLER PRESSKIT) .....	100
FIGURE 26: THE “FORM” BOTTLE SPECIAL ALPINE EDITION AND THE “HÜTTEN GUIDE”(ALMDUDLER.COM).....	100
FIGURE 27: ALMDUDLER SPORTSPONSORING (ALMDUDLER FB PAGE).....	100
FIGURE 28: TRACHTENPÄRCHENBALL (ALMDUDLER FB PAGE) .....	101
FIGURE 29: EXAMPLES OF ALMDUDLER MERCHANDISING (ALMDUDLER.COM).....	102
FIGURE 30: ALMDUDLER HEADQUARTER VIENNA (ALMDUDLER.COM) .....	103

## Abstract

The following thesis seeks to explore the application and underlying motivation of companies to integrate the country of origin information as an essential part of their marketing communication efforts.

Based on research on the theoretical frameworks and concepts developed with relevance to the “country-origin-effect”, the empirical analysis conducted through qualitative research of two companies originating from Austria serve as case studies.

The research strives to illustrate the company perspective and the intended effect on the consumer including an investigation of the portfolio of communication tools applied.

Drawing on the concept of “Brand Origin” and “Brand Equity” the paper reveals that the country of origin information communication of Austria is intended to evoke associations on the cognitive as well as on the emotional level. It serves as a tool of differentiation, indicates quality and therefore allows for a premium positioning in the market.

Important considerations on behalf of the company include the loss of control due to the use of secondary brand associations, the active management and monitoring of the origin cue and what it stands for over the product-life-cycle as well as cautious application of concepts such as consumer patriotism and within country perception considerations.

Furthermore the two case companies leverage on the origin cue not only as a secondary brand association, but incorporate it as an essential part of their brand. The country of origin is prevalent throughout the large portfolio of communication tools to create relevance and brand tangibility to the customer.

# 1. Introduction

## 1.1. Background of the thesis

Advancements in transportation and technology have resulted in an increasingly globalized marketplace, where, with the support of free trade agreements, trade blocs and similar arrangements, the free flow of goods and services across borders is considered to be part of everyday business for numerous corporations, even at the small to medium sized level.

The continuing reduction of trade barriers facilitates not only the cross-border exchange of goods and services but also gives faster and easier access to foreign markets leading to a greater international exposure of the merchandise, greater consumer choice and variety of foreign produce.

This development offers the opportunity of selling products to a larger clientele, thereby reducing the dependence on one single geographic market and consequently lowering the level of risk exposure.

Furthermore companies are faced with the possibility to source or assemble parts of the good abroad, profiting from easier and/or cheaper access to raw materials, higher levels of manufacturing expertise and/or lower overall costs of production.

The application of the outlined ways of gaining economically from trade liberalization results in so-called “hybrid products”, stipulating products with components from several countries or goods that were designed, sourced or manufactured in different parts of the world (Papadopoulos, 1993; Dinnie, 2004).

The complex and scattered production of goods, where the value adding process is difficult to be traced back by the individual consumer, has urged marketing professionals to wisely consider their origin information communication strategy.

In the light of increasing consumer involvement, greater and easier access to information about the company and its products as well as the demand for transparency on the one side; Societal trends such as “regional production” plus environmental considerations such as “the carbon footprint” due to transportation as well as topics as “clean foods” and ethic issues such as “fair trade” on the other side, challenge modern day brand managers to wisely consider their country of origin information communication tactics.

## 1.2. The Research Questions

Practice has shown, that there are several ways in which to communicate and trigger certain country associations beyond the legally required origin certification of a product, lending itself as a means of differentiation from competitors.

This development has led to increasing interest on the part of academic researchers as well as marketing practitioners, concerning the effect and impact of country of origin information of a product in connection with consumer product evaluation and decision making, when engaged in the purchasing process.

The aim of this research therefore, is to gain insight into how marketing experts actually make use of this country of origin information in practice, what kind of tools and associations they apply and to understand what effects they aim to reach by sharing this information.

Scientific research has mainly put emphasis on the consumer perspective, so to speak how the potential purchaser evaluates and uses the country of origin information; the following paper however is focusing on the company perspective and real-life application of the communication of the origin information.

The underlying objective is to create a link between theory and practice thereby gaining a cohesive understanding on how the two case companies selected communicate the country of origin and the value that they are striving to achieve through the applied communication strategy.

Especially the large spectrum of tools available for origin information communication has not been touched upon by research in depth, even though each of them has the potential to trigger very different associations during the process of product evaluation.

Therefore two companies have been chosen to be analyzed as case studies. Both Josef Manner & Comp AG as well as A. & S. Klein GmbH & Co KG are companies that aim at representing the “Austrian lifestyle” and the “Austrian spirit” through their products and especially in the wider brand context.

The reason why in particular those two companies were chosen lies in the fact that they are perceived to be truly “Austrian” and strongly connected to the culture.

The corporations operate in the food and beverage industry, a segment that deserves special attention by consumers, as they put particular emphasis on the origin of the product even though those might be considered as low-involvement goods.



The motivation behind analyzing particularly those two companies lies in the fact that both of them highlight heavily the connection to Austria, however, they utilize different and varying images of Austria in their communication efforts, leading itself to consider the underlying reasons how one country can be “adapted” to fit two different kinds of products and brand images. Furthermore, the research will investigate into how the particular facets of the chosen country image are communicated by each of the companies.

Like any country in the world also Austria stands for a large variety of stereotypes and images both positive and negative. The companies under investigation have chosen to create a link between their product and brand to this country. It is therefore interesting to see what parts of the country they consider to be of relevance for their particular product and how this can lead to positive and sustained advantages and increased brand equity.

It has to be said that due to Austria’s political history in the 20<sup>th</sup> century, patriotic feelings and the sense of “being proud of one’s country” were not perceived as adequate for a long period of time. Nevertheless, the examples of those two companies chosen as a case to illustrate that Austria can be used to trigger positive images and is perceived as a sign of quality produce, if however the country of origin is presented in the right way.

The research therefore also aims at analyzing how the companies use the appropriate messages to lead to a positive reflection of the country of origin on the product.

Following the line of argumentation presented above, the research is led by the following research questions:

- 1) What are the underlying reasons and the motivation for the communication of the country of origin-effect in the marketing strategy followed by the two Case Companies Josef Manner & Comp AG and A. & S. Klein GmbH & Co KG?**
- 2) How do the Case Companies integrate the chosen country stereotypes in their branding efforts in order to create a fit and relevance to the consumer?**
- 3) What tools of communication are being applied by the Case Companies in order to fully leverage on the positively biased country-of-origin effect?**

## 2. Theoretical Background

### 2.1. The country origin paradigm in international marketing

Starting from the 1960s onwards, researchers and scholars have actively engaged in assessing consumer evaluation of product quality based on their national origin. Even though the degree and strength may differ depending on the experiment conducted, researchers have agreed upon the notion that the country of origin of a certain product does influence the perception of a product (Liefeld, 1993; Baughn & Yaprak, 1993; Verlegh & Steenkamp, 1999; Jaffe & Nebenzahl, 2001).

However, up until now researchers and scholars have not reached consensus upon a unified terminology, nor on a universally accepted concept of how the origin information influences the consumer.

This lack of coherence reflects the complexity of the concept and the difficulties research is faced with when dealing with the issue of country-of-origin effects on consumers.

A further challenge is illustrated by the fact that country information can be provided in many different ways, as will be illustrated through the case studies. The portfolio of tools of origin information seems to be endless, ranging from the mere “Made in” label to visual, acoustic and subtle emotional links to a certain geographic area used in print, product design and media. Consequently origin information can affect consumers on different levels depending on the tools of communication.

As will be outlined below, origin information can be processed on a “cognitive” level, giving indications about the price, quality or overall value of a product, but at the same time one can make “emotional” interferences about the same aspects, resulting in a less objective evaluation or perception of the product.

Without a doubt the notion of country-of-origin effect is a complex issue that research has been struggling to conceptualize for decades, still not reaching a commonly acknowledged framework.

In order to be able to understand the elements and components of the effect in greater detail, the next section aims at providing a general overview of the most important concepts and

research efforts related to the country-of-origin effect, offering a theoretical background before analyzing the practical application through the cases.

## 2.2. Country of Origin Image

In their literature review Roth and Diamantopoulos (2008) explain that country of origin research shifted from focusing on evaluating differences in product evaluations and preferences based on the mere notion of the *national origin* of a product, to a more complex and richer construct, considering the *image* of a country, not only the nationality.

This means, that instead of only testifying *whether* consumers prefer a product from country X over a similar product from country Y, perceived country image research aims to understand *why* there is a difference in perception. Thus, recent studies predominantly measure the *image* of a country for certain products, which is the so-called country-of-origin image (CoI) (Roth & Diamantopoulos, 2008).

This is an important remark, as most studies do not explicitly state that they are measuring the *image*, however, when having a closer look at the study setup, they actually focus on the image. Generally speaking outcomes and interpretations of results need to be evaluated with care as research on the origin effect has been led by different ways of defining the concept as evidenced by the section below.

## 2.3. Definitions

Even though the importance of the country of origin construct has been acknowledged, literature has not reached consensus yet on how to conceptualize and operationalize the construct (Laroche, Papadopoulos, Heslop, & Murali, 2005).

This is also reflected in the fact, that starting from the 1990s onwards, research has attempted to refine the country of origin concept in various ways, deriving from various streams of research, resulting in different approaches.

Capturing the complex concept of the country-of-origin effect in one phrase Gürhan-Canli and Maheswaran (2000b) defined it as “ the extent to which the place of manufacture influences product evaluations” (p.309).

Another attempt to define it was offered by Peterson & Jolibert (1995) indicating that the vountry of origin is an intangible, extrinsic product cue often communicated by the phrase „ made in...“.

One of the main challenges is how to include hybrid products in these definitions, paying attention to various combinations of country of origin according to the *country-of-design*, the *country of sourcing* or *country of assembly* (Baughn & Yaprak, 1993, p. 92).

According to Dinnie (2004) the essence of the definitions can be categorized as follows: country of origin in terms of *product-country image* (Papadopoulos & Heslop, 1993), *contextualised product-place image* (Askegaard & Ger, 1998) and *brand origin* (Thakor & Kohli, 1996).

### **2.3.1. Product Country Image**

Papadopoulos (1993) is among the first ones to refine the definition of country of origin. According to him the concept was too narrow, as it only assumes one single place of origin for a product, when in practice products may be designed, manufactured, assembled, branded etc. in various destinations and countries. Furthermore, when talking about the country of origin in the context of consumer behavior, the concept involves the *perception or image* of products and brands from a certain country. Consequently he introduced the term “Product-Country-Image” (PCI).

### **2.3.2. Contextualised Product Place Image**

Building upon this concept, Askegaard and Ger (1998) argued that the analysis of images attached to a product and its place(s) of origin must include a richer set of *connotations and stereotypes*. By including the cultural context in consumers’ product evaluations, they introduce the term “Contextualized Product-Place-Image” (CPPI).

### **2.3.3. Brand Origin**

Thakor and Kohli (1996) elaborated on the idea of country of origin by defining it as the “*brand origin*”, designating this origin as the “place, region or country to which the brand is perceived to belong by its target consumers” (p.27). Furthermore they stress that they are aware of the fact that this location may differ from the destination where the products carrying this brand name are actually manufactured or are perceived to be manufactured.

Following the assumption that the marketing communication strategy pursued by a company is built upon the brand origin, that is equivalent to the legal designation of origin, this paper will adopt the approach offered by Thakor and Kohli, by investigating the country of origin

marketing mix with relevance to the brand origin.

## 2.4. Country of Origin as an Information Cue

Products are characterized by a set of product attributes (Peter & Olson, 1993). Attributes can be defined as “descriptive features that characterize a product and determine what a consumer thinks about the product and what is involved with its purchase and consumption” (Keller, 1993, p. 4).

As will be explained in further detail below, consumers use *cues* in order to make inferences about the product attributes, which themselves influence the product evaluation and purchase intention.

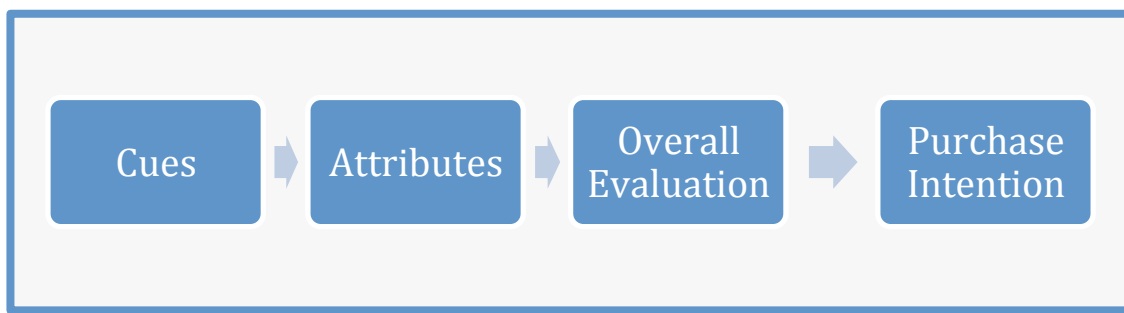


Figure 1: Information Cues, Graphic Depiction (adapted from Keller, 1993)

Bilkey and Nes (1982) propose to approach the origin effect as an *information cue* question, whereby the country of origin of a good or service is one of many information cues that are available to customers in order to evaluate the product.

Generally speaking there is a distinction between *intrinsic cues* such as taste, design, performance and *extrinsic cues* such as price, brand name and the country of origin.

As will be explained in greater detail in the chapter on Brand Equity, Keller (2008) proposes to make use of the country-of-origin cue to leverage secondary brand associations. Indicating to link the positive aspects and associations of one entity, in this case the country of origin, to the other entity, the product or brand. The intention is to use a positively biased origin cue to reflect in an advantageous way on the evaluation of the product attributes.

The relationship and strength of the country of origin cue in comparison to other product cues is suggested to be dependent on the product *complexity* and *risk*.

The two are connected as the higher the product complexity, the higher the perceived risk and the lower the *purchasing frequency*. Products with a lower purchasing frequency usually require a higher degree of involvement and a greater need for information gathering (Baughn & Yaprak, 1993, p. 94).

Consequently, consumers who want to purchase a more complex product (which they usually buy less often) feel a greater degree of risk (as they are unfamiliar and not that used to buying this kind of product); usually more complex products also require a larger financial investment.

In order to counteract this lack of experience and the higher (financial) risk, consumers require a higher degree of information, thereby placing stronger emphasis on the country of origin.

The impact of the origin cue is related to characteristics of the producing country. Meaning that when encountering information about the origin of a product, the consumer has an image about the country and its products based the economic development of the country concerned, the political climate, cultural characteristics etc. (Baughn & Yaprak, 1993, p. 91).

Later studies mandate that perceptions of the sourcing country should not only include *cognitions* (e.g.: a country's industrial development, technological advancement etc.), but also *affect* towards the country's people, and a *conative component* relating to the consumer's desired level of interaction with the country of origin (Papadopoulos, Heslop, & Bamossy, 1989;1990).

The trend of including further aspects in the concept of the country image and perception is also reflected in the development of the country of origin research definitions, as was evident in the definitions section.

## **2.5. Country Images, Country Stereotypes & their Implications**

With reference to the belief about and attitude towards a country, research indicates that consumers develop *stereotyped images* of countries and/or their products, which may affect the product evaluation processes or behavior when engaged in a purchasing decision (Bilkey & Nes, 1982; Yaprak, 1987; Hooley, Shipley & Krieger, 1988; Schooler, 1965).

Stereotypes or schemas can be described as “cognitive structures of organized prior knowledge, abstracted from experience with specific instances” (Fiske & Linville, 1980, p. 543; Roth & Diamantopoulos, 2008, p. 3). This can result in positive or negative bias towards certain products.

As Baughn and Yaprak (1993, p. 90) explain, the way consumers acquire, process and use (country) image cues, the interrelationship between those and other product cues as well as changes in consumer perception and attitude over time are of significance relating to a number of strategic issues for the company’s communication content.

Negative product evaluations based on the origin for instance depict *market entry barriers* for new entrants. Furthermore, Johansson and Nebenzahl (1986) found out, that internationally sourcing companies might risk a *loss in their brand value*, when manufacturing abroad or shifting production to elsewhere.

It is also indicated that country images affect the *positioning strategies* of domestic firms in relation to foreign competitors (Hooley, Shipley & Krieger, 1988) and country images have also been found to allow for a *price difference* between domestic and foreign products (Johansson & Nebenzahl, 1986; Schooler & Wildt, 1968).

Dinnie (2004) further elaborates that many companies choose to communicate their origin as a source of *competitive advantage and differentiator*, in order to stand out from the crowd and distinguish the product/brand from its intensified global competition.

A greater understanding of the impact of product and country image on cross-national, but also domestic consumer behavior can therefore contribute to the development of *effective global marketing programs*, by adapting the concerned marketing strategy to the attitudinal constructs observed in different national markets (Yaprak & Parameswaran, 1986).

Thus the aim of this paper is to develop an understanding of how companies make use of the country-of-origin effect in the marketplace and to comprehend the underlying motives why they follow a certain country of origin communication strategy.

## 2.6. Influencing Variables

Country images and stereotypes are complex and to a large extent subjective perceptions that vary depending on the country in which they are measured (Bilkey & Nes, 1982). There is no one single generally adopted perception of a certain country, and even the perception of different products from the same country might differ according to the product category.

To give an example consumers might portray a positive bias towards shoes from Italy, while technical equipment made in Italy might not be assumed to be a signal of quality.

Therefore one has to investigate into an array of factors that influence the perception and outcome of the country-of-origin effect as will be outlined below:

### 2.6.1. Consumer Characteristics

On the consumer level the type of (personal/political) *relationship* with the country of origin in question as well as the level of *knowledge* about this country act as influencers on the response towards the country of origin information (Schooler, 1965; Yaprak & Parameswaran, 1986).

Furthermore some researchers argue that *socioeconomic variables* (such as age, educational level, gender, income) have been found to play a role in foreign product acceptance, however results seem to be mixed and generalizations are difficult to make (Baughn & Yaprak, 1993).

### 2.6.2. Consumer Nationalism

Another important concept to mention is *consumer nationalism*. A concept dealing with the notion that “consumers’ patriotic emotions have significant effects on attitudes and purchase intentions” (Baughn & Yaprak, 1993, p. 98).

Wall and Heslop (1986) conducted a survey, whereby respondents indicated that purchasing domestic products would include helping the national economy, supporting employment and increase national pride. A similar outcome has also been reached by Shimp and Sharma (1987), introducing the term “*Consumer Ethnocentrism*”.

Han (1988a) confirms that consumer patriotism appears to affect consumer choice both through *product attribute evaluation*, but to a stronger extend through direct *affective factors* regarding the purchase. However, it has to be stressed, that consumer patriotism is a *tendency* that does not apply to all consumer groups in all countries (Baughn & Yaprak, 1993).

It is also possible to express a preference for domestic heritage only for certain goods, while



showing a preference for imported goods for other categories.

To give an example a French could purchase strictly French wine, while at the same time prefers to buy electronics from Japan.

### **2.6.3. Animosity**

In finding an explanation why certain consumers are avoiding products from another country Klein et al. (1998) developed the Animosity Model of Foreign Product Purchase.

Due to historical or other political reasons, people may hold a hostile attitude towards the produce of this country. The construct of animosity is defined as “the remnants of antipathy related to previous or ongoing military, political, or economic events” (Li, Yang, Wang, & Lei, 2012, p. 2264).

By not purchasing the products originating from this country, the consumer deliberately negates the politics or governmental actions of this country.

Examples date back in history and are evident in all parts of the world as for example Jewish consumers boycotting German products because of the holocaust or Australian consumers having boycotted French products because of French nuclear tests in the Pacific (Verlegh & Steenkamp, 1999).

In comparison to the consumer ethnocentrism, which concerns the general attitude towards buying foreign products, consumer animosity is a country-specific model. However, both concepts assume to have an effect consumers' buying behavior (Li, Yang, Wang, & Lei, 2012).

### **2.6.4. Xenophilia**

A concept dealing with the fact that certain consumers show a preference for foreign produce is called “xenophilia”. It can be described as a positive attitude, some kind of “goodwill” towards a country. Especially with relevance to western goods, studies have come to the conclusion that less developed countries perceive goods from industrially developed countries as superior (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000).

Furthermore studies have found that there are status-based preferences for Western goods especially in eastern-European countries (Ger, Belk, & Lascu, 1993) indicating that when being in the possession of a foreign good one is able to show a certain lifestyle leading in the direction of conspicuous consumption. Xenophilia rather deals with the general perception of foreign goods, while there is also the idea of specialization of a country in a specific product category as will be explained in further detail later on.

### **2.6.5. Familiarity and Previous Experience**

*Familiarity* with the product category or country of origin as well as *experience* with the product also need to be considered in connection with country-of-origin effects (Johansson, Douglas & Nonaka, 1985). Those two factors will influence the manner in which the country of origin information is used.

This means that in case there is a low degree of familiarity, the country origin might act as a surrogate for information (halo construct), while in case of product familiarity, the country of origin information may be used as an abstracting, summarizing construct (Han, 1989), as will be explained in another section.

### **2.6.6. High vs. Low-Involvement Products**

Previous research has indicated, that the country-of-origin effect might be more pronounced with high involvement products, as there is a greater extent of information gathering, a higher perceived risk and usually a more careful evaluation due to higher amounts of money spent, as is the case with white goods, automobiles and electronics (Li & Wyer, 1994).

However, Ahmed et al. (2004) confirm in their study, that the country of origin matters also when consumers evaluate low-involvement products but, in the presence of other extrinsic cues (price and brand), the impact of the country of origin is weaker and the brand becomes the determinant factor. It could be argued though, that even the brand itself contains some country of origin information, as is assumed in the brand origin concept.

### **2.6.7. Specialization**

Historically, some countries have gained a reputation for showing an unmatched expertise or being specialists in producing a certain product category, such as French perfume or Swiss watches (Ahmed, d'Astous, & El Adraoui, 1994), which might also have an impact on the consumer's decision making with reference to product quality interference.

## 2.7. Information Processing and Attitude Formation

Having identified the existence of the country-of-origin effect and its connection to other influencing variables, the next step is to analyze the processes undergoing in the consumer's mind, determining the impact and consequences of this information cue.

Several avenues of research have attempted to offer an explanation how the country of origin information is processed in the consumer's mind. However, as Brijs et al. (2011) stipulate in their paper: despite the rich empirical data, there is an ongoing debate among scholars concerning the functioning of the country of origin phenomenon.

Efforts of explaining the country-of-origin effect remain isolated, meaning that different schools of thoughts and different streams of research disciplines approach and explain the topic from various angles and viewpoints. This multidisciplinary research effort is a positive development, however, unfortunately consensus has not been reached, preventing to find a clear-cut concept and inciting continuing research.

The next section aims at providing a brief overview of the most important proposed concepts giving an indication of how the research on the country-of-origin effect has been approached so far.

### 2.7.1. Country of Origin and Product Evaluation Process

Ahmed et al. (2004, p. 104) explain that when consumers are faced with a product, they determine the quality based on a "systematic process of acquisition, evaluation and integration of product information and cues."

A cue is an informational stimuli, which is available to consumers before consumption (Monroe & Krishnan, 1985). As has been mentioned in previous paragraphs, cues can be intrinsic and extrinsic, with country of origin information being part of the latter.

The country of origin is seen as an information cue (presented along with other extrinsic cues, such as price or the brand) that helps to determine the quality of the good concerned. In some cases it may influence the perception of other product attributes and consequently indirectly influence the quality assessment. This will then lead to an overall evaluation and ultimately to the purchasing intention (Ahmed, Johnson, Yang, Fatt, Teng, & Boon, 2004).

A simplified graphic process model is presented below.

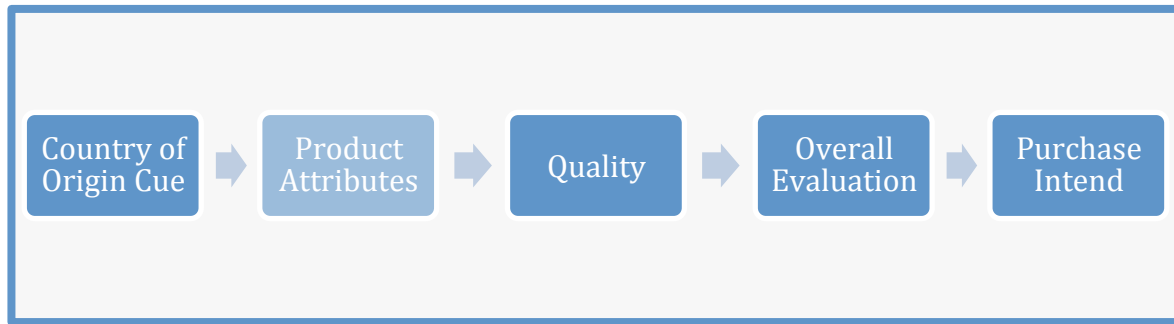


Figure 2: Country of Origin and Product Evaluation Process (adapted from Ahmed et al. 2004)

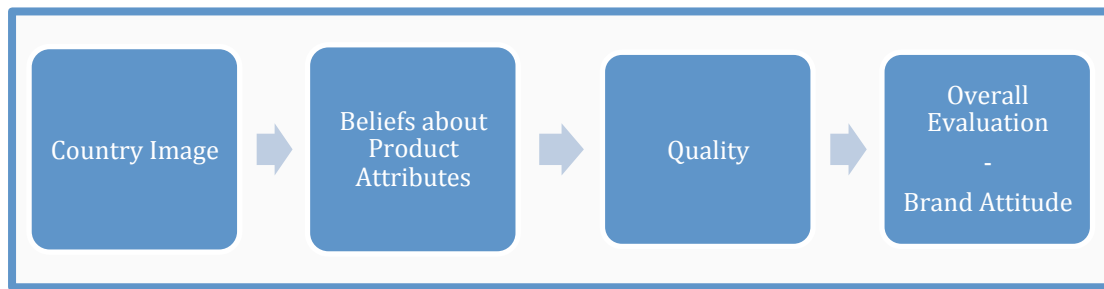
### 2.7.2. Country Image as a Halo or Summary Construct Model

Han (1989) examines the role of country image in consumer product evaluations, thereby proposing two alternative models:

- A. The *halo model*, in case of non-familiarity where the country image serves as a halo in product evaluation
- B. The *summary construct model* in case of product familiarity suggesting that country images functions as a summary construct.

Han clarifies that in this research, country image is defined in accordance with Bilkey and Nes (1982) as “consumers’ general perceptions of quality for products made in a given country”, adding that such perceptions are usually specific to product categories (Han, 1989, p. 222).

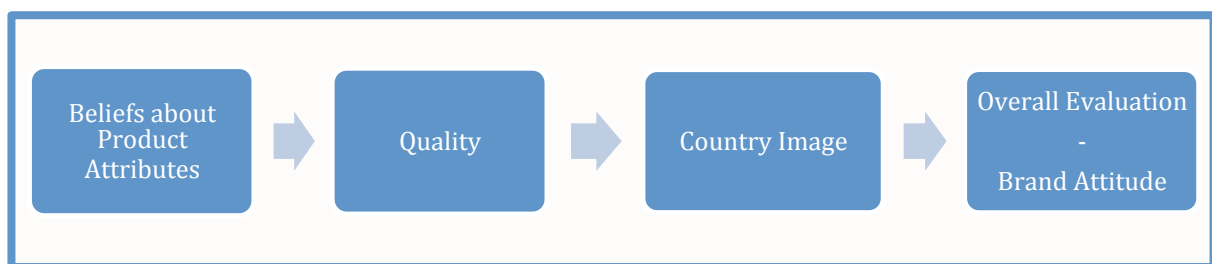
Concerning the *halo hypothesis*, the research reveals that in order to be able to detect the true value of increasingly complex products, consumers use country images as surrogate information to make inferences about the product quality. Furthermore, the country image affects consumer rating of product attributes. Thus as evidenced by Johansson, Douglas and Nonaka (1985), country image directly affects consumers’ beliefs about product attributes and indirectly affects the overall evaluation of products through those beliefs.



**Figure 3 Country Image as a Halo**

Han's (1989) *summary construct* assumes that consumers may abstract information about a country's products because they assume that brands with the same country of origin have very similar product attributes. This construct therefore anticipates familiarity with a certain product category from the country concerned. Meaning that consumers construct generalized country-specific information, due to previous knowledge or experience about brands with the same country of origin (those brands having similar perceived product attributes).

This concept therefore implies that consumers make *abstractions* of product information and turn them into country images (in the halo construct they make *interferences*). The country image then directly affects consumer attitude towards a brand (whereas in the halo construct it is affected indirectly through product attribute ratings).



**Figure 4: Country Image as a Summary Construct**

The main difference between the halo effect and the summary construct model lies in the fact whether consumers are familiar or non-familiar with a certain product category from the country concerned and the sequence of consumers' cognitive process (Ahmed, Johnson, Yang, Fatt, Teng, & Boon, 2004).

More recent research in the same direction, so to speak distinguishing the country of origin cue mechanisms between consumers that have previous experiences with a certain product category and novices, has been conducted by Maheswaran (1994). He found out that the

country origin represents stereotypical information that novices rely on when encountering new products and are faced with making product judgments (Maheswaran, 1994). The author stipulates that the novice is being guided in his/her evaluations by his or her country of origin judgment rather than engaging in detailed attribute processing of the product (Brett, Lee, & Lacey, 2011).

Furthermore studies show that consumers particularly focus on the country of origin information under the condition of low motivation where the origin information serves as an information cue to evaluate products in a fast and easy manner (Gürhan-Canli & Maheswaran, 2000a; Verlegh, Steenkamp, & Meulenberg, 2005). Although it might be argued that it depends on the product category and circumstances under which the product is being judged.

### 2.7.3. Cognitive, affective and normative mechanisms for country of origin

Verlegh and Steenkamp (1999) seek to offer a common ground for the country of origin research, by focusing on *cognitive*, *affective*, and *normative* aspects of origin, assessing the magnitude of country-of-origin effects on three types of product evaluations: *perceived quality*, *attitude*, and *purchase intention*.

It is postulated that country of origin is not only a cognitive information cue, but has a symbolic meaning triggering feelings and emotions. It may also associate a product with status, authenticity and exoticness (Li & Monroe, 1992).

As has been mentioned before, also stereotyping and consumer patriotism are connected to this concept.

Therefore Obermiller and Spangenberg (1989) developed a framework including *cognitive*, *affective*, and *normative* processing of the origin cue when evaluating products.

Verlegh & Steenkamp (1999) note that the boundaries among those three are not that clear cut, but are rather interacting and influencing one another. However, according to the authors this framework is rather consistent with the majority of country of origin literature and may serve as a common basis.

As outlined before, *cognitive aspects* of the country-of-origin effect assume that judgments of product quality are derived from cues. The use of the cue depends on the consumer's perception of its *predictive value* meaning the perceived strength between the cue and the

attribute that is to be judged (Steenkamp, 1989).

In the case of the country of origin this strength is shaped by product-country images, here described as being mental representations of a country's people, products, culture and national symbols. Furthermore product-country images contain widely shared cultural stereotypes (Askegaard & Ger, 1998) and those beliefs can change over time.

Another important aspect of the cognitive cue has been demonstrated by Roth and Romeo (1992), stipulating that consumers' evaluations of a specific product from country X are based on the match between product and country. So to speak the match between the perceived "strengths" of country X need to match the skills needed in order to manufacture a certain product.

The idea behind this is that a country has a certain (historic) expertise in producing a specific good, like Persian rugs or German cars.

*Affective aspects* delineate that the country of origin also triggers emotional and affective connotations on behalf of the individual consumer formed by direct or indirect experiences with the country concerned or its people (e.g.: media coverage, art, education, holidays, ...). Furthermore, this concept also includes the fact that owning a product from a certain country might reflect on a certain lifestyle, portray a certain image of the owner, so there is also the aspect of outer image/expressive/symbolic portrayal to be mentioned (Mittal, Ratchford & Prabhakar, 1990).

Normative aspects have already been mentioned in previous paragraphs. Those aspects include consumer ethnocentrism (Shimp & Sharma, 1987) whereby customers portray a strong preference for domestic products.

	Cognitive	Affective	Normative
Description	CoO is an extrinsic cue for product quality	CoO as symbolic & emotional value	consumers hold social & personal norms related to the CoO
Findings	signal for overall product quality evaluation and quality attributes (reliability & durability)	image attribute linking product to symbolic & emotional benefits, social status, national pride	buy domestic, consumer patriotism, ethnocentrism, avoid "unethical origin"

Figure 5: Summary Table of cognitive, affective and normative mechanisms for country-of-origin effects

**2.8. Recent Research and Trends in the Country of Origin Research**

Recent studies primarily build upon the “classic” concepts developed for the goods sector, adapting and developing them for particular cases such as the service industry, the difference in perception of the country origin between products from developed and less-developed countries or focusing on one particular product category (Biswas, Chowdhury & Kabir, 2011; Jong Woo & Chang Won, 2007; Snaiderbaur, 2009).

These efforts illustrate the limited generalizability of the concept as country and product circumstances need to be analyzed on a case-to-case basis.

Special attention was also given to the difference in consumer perception of eastern versus western goods (Chand & Tung, 2011).

As historically speaking the models regarding the country-of-origin effect were mainly generated from western countries, now scholars are increasingly interested in testing the



hypothesis also in other cultural backgrounds as for example a study on the perception of Chinese imports abroad (Ken & Yang, 2011).

The results on the strength and the importance of the origin information are rather mixed depending on the objects under investigation and the units of measurement.

Non-the-less the continuous ambitious research and interest on the topic depicts the ever-persistent relevance of the origin concept even in a globalized business world.

Having provided a theoretical background concerning the most debated and critically accepted concepts with relevance to country of origin information in consumer perception and processing mechanisms, the next section will provide a deeper insight into the brand origin concept, as this offers the most appropriate tool for the case analysis in the context of country of origin communication on a product, brand and corporate level.

### 3. The Brand Origin Concept

As has already been outlined in the definitions section, Thakor and Kohli (1996) pursue a slightly different approach, by focusing on the *brand origin* instead of the *country/product image*.

This is a rather interesting idea, as with an increasingly complex value chain of production, leading to hybrid products (designed, manufactured and assembled in different locations), it is getting even more difficult for the consumer to identify the “real” country of origin.

Despite having to adhere to legal rules of origin designation, marketers have also seized the chance to profit from this division of labor by stressing in their communication efforts particularly that country that seems to trigger the most favorable connotations for the product concerned. To give an example Apple Inc. labels their products as “Designed by Apple in California, Assembled in China”, where the company’s ambition is to convey the message that the brand is American based, even if the products are, in the traditional sense, not manufactured there.

The *brand origin* is defined as “ the place, region or country to which the brand is perceived to belong by its target customers" (p.27). This implies that the *brand origin* may differ from the location where the products are manufactured or perceived to be manufactured by consumers. This definition focuses on consumer *perceptions of the brand*, therefore the actual place where the product originates from is almost irrelevant, according to this concept.

Hence the attention should be placed towards the country communication strategy of the *brand*, which is more fruitful according to the authors, as the ultimate goal is to gain customer awareness and make the brand stand apart from competitors, instead of focusing on the “real” country of origin, that consumers might not even be aware of. To give an example, the majority of IKEA (IKEA.com) customers may realize that the products are not manufactured in Sweden, however, the communication strategy is built upon the Swedish lifestyle.

Thakor and Kohli explain that “consumer perceptions may differ from reality because of ignorance, lack of salience of origin information for a particular brand, or deliberate obfuscation by companies concerned about consumer reactions to an unfavorable origin. We also believe that in some cases, consumers may know full well where a branded product is manufactured but still not consider that location to be the brand origin” (p. 28).

Another, rather interesting aspect of their research concerns the inclusion of the origin cues

within brand names. This refers to the fact that a well-known brand name may convey a meaning of origin, and therefore the origin cue is already embedded in the brand. For instance, as with the case of Toyota, even though consumers are informed that the car is produced elsewhere, they might still consider the brand to be Japanese (p.30).

The key differences between *country of origin* and *brand origin* can therefore be summarized as follows. While the focus of country-of-origin effects is laid on the country image as an indicator of a product's quality, so the emphasis is on the product, not the brand, brand origin research in contrast recognizes the fact that origin cues might already be embedded within the brand image, which the authors claim to be the most common way of communicating the origin of a product by marketers (p. 31).

Furthermore the perceived origin of the brand does not necessarily need to be the same as the country shown on the "made-in" label, as this concept assumes the *perceived* origin by the target group.

As the central idea behind the brand origin concept lies in the communication strategy, the next section shall provide a list of possible ways, how the country of origin can be transmitted through marketing efforts before exemplifying it by the cases.

## 4. Origin Information Communication

As Papadopoulos (1993) outlines, there are more origin cues available to a customer than the basic “made-in” label. A broader set of cue elements trigger origin connotations including the following elements (Usinier, 1993 & Niss, 1996):

1. The image of imported products as opposed to national products or the image of national versus international products.
2. National images of generic products (e.g.: pasta associated with Italy, perfume with France). This includes the notion of a country offering a certain expertise.
3. The national image of the manufacturer
4. The image diffused by the brand name
5. The image of the “made in” label, meaning the manufacturing origin legally appended to the product.

In relation to the marketing communication strategy, the truly important factor lies in what the company actually emphasizes as its origin and what the target customer assumes or perceives the origin to be. This notion of having a broader look at the concept of origin is in accordance with Thakor and Kohli’s (1996) *brand origin* concept.

Following Papadopoulos’ (1993) line of argumentation, the following list of categories should summarize the main manifestations of the origin cue (p.14).

- 1) The cue can be embedded *directly in the brand name* such as Boston Consulting Group, American Express or Royal Bank of Scotland, where there is direct reference to a geographic location.
- 2) Furthermore it may be indicated *indirectly through the brand name* as with “Lamborghini” being Italian, “Bang & Olufsen” being Danish and “Toyota” Japanese. The country might not be mentioned directly, but the consumers are expected to make a link to the country through the foreign sounding brand name, that gives a clear indication of where the product derives from.
- 3) Another way is through *direct or indirect* communication of the origin using the producer’s *company name* as Nippon Steel.
- 4) As concerns visible elements of the product, marketers also have the choice of using

the *packaging as a tool that symbolizes a certain heritage*. As for example the shape of the Swiss “Toblerone” chocolate already reminds consumers of mountains (Schweiger & Schrattenecker, 2005, p. 98). Another example would be the perfume by DKNY (Donna Karan New York) called “Be delicious”. The fragrance pays tribute to New York, also known as “the big apple” by being filled in an apple-shaped bottle.

- 5) As concerns the further visual communication of the country of origin, the cue might be included as the *centerpiece or a part of package design* such as a nation’s flag, flag colors, or some other internationally recognized symbol of the country printed on the outer packaging.
- 6) The country of origin may also be promoted expressly as a significant part of, or as “the” *brand’s unique selling proposition*. Like the Harley Davidson slogan used in Russia “Legend of American roads”, or the use of Swedish public holidays, such as “Midsummer” in IKEA ads.
- 7) Furthermore it can be used in connection with a *company’s sales force* or other service people. Such as some airlines use adapted version of traditional national costumes such as the Sari or Kimono.
- 8) A multi-facet approach of communication links the brand or product *directly or indirectly with well-known representative symbols* of the origin country. This can be adapted to any kind of application such as advertising, brand and corporate logos etc. Those associations can be of linguistic nature, visual or aural. The symbols include animals (Australian Kangaroo), landmarks as the Eiffel Tower; stereotyped images as the British Gentleman with a bowler-hat, umbrella and sharp black suit); it also includes personalities such as the Italian actress Elisabetta Canalis promoting the Italian sweets “Giotto” in Germany. This strategy also includes music in the background, geographic scenery such as mountains, waterfalls or the beach;

As the cases of Josef Manner & Comp AG and A. & S. Klein GmbH & Co KG will illustrate this list is not exhaustive, but should rather represent an array of possibilities to trigger origin information processes in the consumer’s mind.

## 5. Country of Origin Marketing Communication Strategy

As country stereotypes can be positive or negative and are dynamic, so to speak can change over time, it is of crucial importance to actively manage the brand's national image as part of the strategic marketing of firms operating both domestically and internationally.

### 5.1. Country Image-Product Match

Niss (1996) postulates to adopt an image, corresponding to each country to what is locally valued (domestic or imported) in the category concerned.

The country image and product match is therefore to be acknowledged, in order to make the most effective and positive use of the origin designation.

To give an example: in case there is a preference for national production, for the product in question, then the company is well advised to adopt a local name, if however the product comes from a country enjoying a positive image for that particular product category, then it should keep the foreign name or emphasize its foreign origin in its advertising or packaging to gain a differential effect, like for instance Belgian chocolate or Swiss watches to be sold abroad (Niss, 1996).

### 5.2. Country of Origin Management over time

A significant finding by Niss (1996) through a Danish case study about the management of the country of origin information by companies over time reveals that the use varies over the product life cycle (PLC). The survey conducted indicates that the country of origin reference is more frequently used in the introduction stage of the PLC than in the growth and maturity stages.

Apparently it serves as a tool to give the product immediate identity and serves as a point of reference for the customer, who is unfamiliar with the new product. With increasing familiarity of the product and the brand, the marketing communication focus gradually shifts towards the brand name as indicated in the graph below (Djursaa, Kragh, & Holm Møller, 1991).

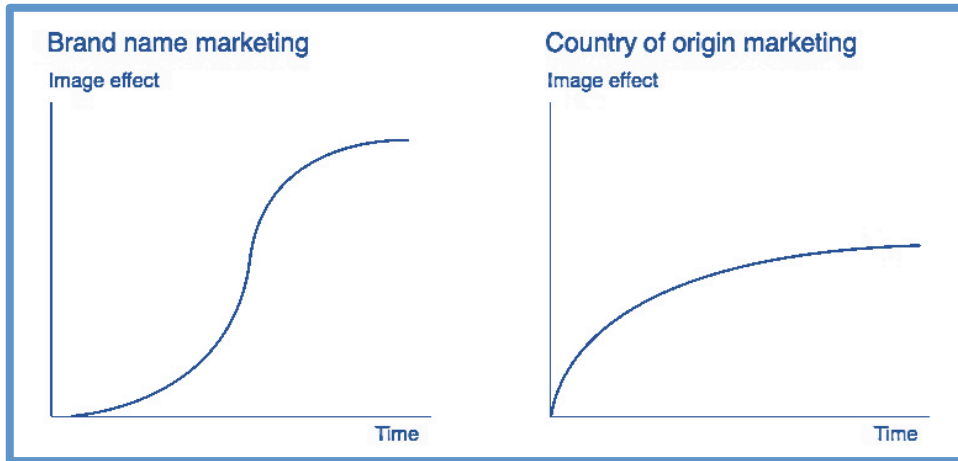


Figure 6: PLC management see Niss (1996) adapted from Djursaa, Kragh, & Holm Møller, (1991)

Having outlined the underlying theory behind the concept of the country-of-origin effect, followed up by the brand origin concept, the marketing communication tools used in connection with the country of origin and the management of the origin communication, the next step is to link the country communication strategy to the output that is aspired to be achieved, namely increasing brand equity.

## 6. Country of Origin and Brand Equity

### 6.1. The brand equity concept

Brand equity is a commonly applied concept used in marketing research as well as in marketing practice. It has been defined in various ways and examined from a financial as well as a customer-based perspective (Guzmán, 2005).

In its most generic form it can be described as the “added value with which a given brand endows a product” (Farquhar, 1989, p. 24) or as “the enhancement in the perceived utility and desirability a brand name confers on a product” (Lassar, Mittal, & Sharma, 1995, p. 13).

This indicates that high brand equity generates a “differential effect”, higher “brand knowledge”, and a larger “consumer response”, leading to better performance (Keller, 2003a). Hamzaoui-Essoussi, Merunka and Bartikowski (2011) therefore conclude that brand equity is an important intangible asset, that depends upon the knowledge consumers have about a brand (Aaker, 1991; Keller & Moorthi, 2003). As has already been elaborated previously, images of the country of origin of a brand may function as *quality indicators* thereby influencing directly and/or indirectly through a mediating variable *brand equity*.

Keller introduced the Customer based Brand Equity model (CBBE) defined “as the differential effect that brand knowledge has on consumer response to the marketing of that brand” (2003a, p. 60). This emerges from two sources: *brand awareness* and *brand image*.

According to Keller (2003a), *brand awareness* can be further split into of *brand recognition* defined as the “consumer’s ability to confirm prior exposure to the brand when given a brand as a cue” (p. 67) and *brand recall* being the “consumer’s ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as cue” (p. 67). So to speak, being on the “top of mind” for a certain product category.

“*Brand image* is created by marketing programs that link strong, favorable, and unique associations to the brand in the memory” (p. 70).

Consequently the connection, influence and interlink between *country of origin* information and *brand equity* (through *brand awareness* and *brand image*) can easily be established and has been acknowledged by various researchers.



As for instance the research conducted by Hamzaoui-Essoussi, Merunka & Bartikowski (2011), examining the impact of *brand origin* (BO) and *country of manufacture* (COM) on the two main dimensions of *brand equity*: *brand image* and *brand quality*. They found out that whereas BO images relate positively to both dimensions of brand equity, COM images exert an impact on brand quality, not on brand image.

The key question for marketers is how to establish and generate sustained brand equity through the use of the country of origin information. In other words, how are links between the country and the product created and how do those links ultimately contribute to reaching higher brand equity. The intention is to make use and leverage on secondary associations as will be explained in the following section.

## **6.2. Brand Equity, Secondary Brand Associations and Country of Origin**

An essential part of building brand equity concerns connecting the brand to *secondary associations*. The idea of leveraging secondary brand associations includes the notion that brands may be linked to other entities that “have their own knowledge structures in the minds of consumers” (Keller., 2008, p. 280).

By creating a link between the brand and this entity, one aims at transferring the associations and knowledge of the concerned item to the brand. The following figure indicates the means by which to obtain secondary brand knowledge.

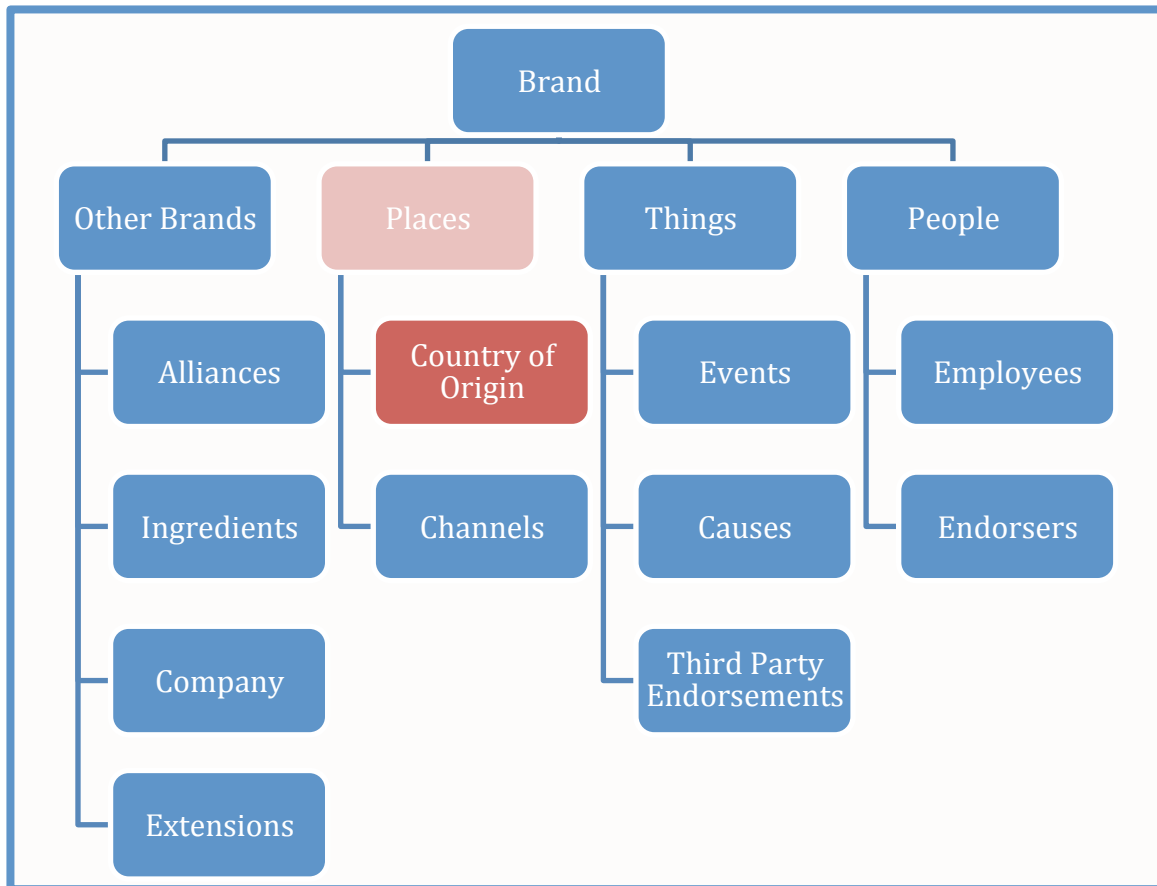


Figure 7: Secondary Brand Associations; Adapted from Keller (2008, p. 280) “Secondary Sources of Brand Knowledge”

While the chart indicates all four sources of secondary associations, the focus in this context is specifically on “Places”, which reflects the way the country of origin is interlinked with the management of branding and brand equity and describes the country of origin as a secondary brand association.

### 6.2.1. Creation of New Brand Associations

Connecting the brand with some other entity aims at creating a mental association between the two parts in the consumer’s mind. This means that all associations, feelings and judgments belonging to one entity are transferred from to the other. Keller (2008) explains that this transfer 1) may create a *new set of associations* as well as 2) *affecting existing brand associations*.

With the creation of new brand associations, the secondary brand knowledge is potentially used to affect consumer evaluations of a *new* product, when they either lack the motivation or ability to judge product related concerns (p. 282). This line of argumentation also confirms Niss’s (1996) finding concerning the management of the country of origin communication

over time.

In addition to that, secondary brand knowledge affects existing knowledge. Even *established* brands may still decide to incorporate new or strengthen certain secondary brand associations, in order to actively manage and update the brand meaning or even reposition it. There are three important elements that need to be considered, when linking an entity to the brand (Keller, 2008, p. 282):

- 1) *Awareness and knowledge of the entity*: consumers should be familiar with the other entity and ideally hold strong, favorable and unique associations with that entity. As regards country of origin information, it can be assumed that consumers do have certain knowledge or at least some kind of familiarity with the country concerned. However, it is the marketer's task to determine whether these feelings are positive and would reflect in an advantageous way on the brand. A further consideration that needs to be borne in mind is the active management of the origin information around the world, when engaged in global marketing activities. This means that positive country images may be held in one country, while people from another might hold negative images.
- 2) *Meaningfulness of the knowledge of the entity*: It is important to determine whether the associations, feelings and knowledge of the entity are relevant and meaningful also to the brand. This may vary according to the brand or product involved. In the context of origin information, it is of definite advantage to make use of the secondary brand knowledge, if the country is considered to have an expertise in producing the good. As for example Swiss cheese or Japanese electronics, where the connection works well.
- 3) *Transferability of the knowledge of the entity*: given the favorability and meaningfulness of linking the brand and the entity, the question to ask is how strongly will this knowledge actually be linked to the brand.

The following graph portrays the mental levels and processes that are affected by the transfer of brand knowledge:

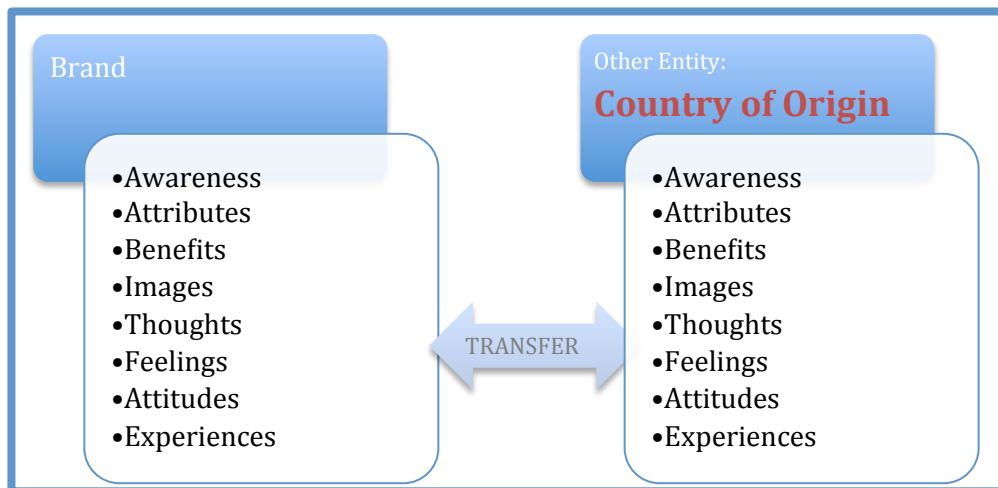


Figure 8: Transfer of Associations; Adapted from Keller (2008, p. 283) "Understanding Transfer of Brand Knowledge"

### 6.2.2. How to implement Secondary Brand Associations

Making use of secondary brand knowledge can lead to the creation and reinforcement of important points of differences or a competitive point of parity with competitors.

However, marketers also need to be aware that by linking the brand to another entity, one gives up a certain degree of control.

In case of countries, the image and attitude held by people might change over time due to political issue or economic developments.

Nonetheless Keller (2008) explains that the explicit use of the country of origin as a source of secondary brand knowledge, is particularly advantageous when countries have become known as experts in a category.

Furthermore the consumer choice of brands "with strong national ties may reflect a deliberate decision to maximize product utility and communicate self-image, based on what consumers believe about products from those countries (p. 286).

In conclusion, one can say that a well-managed application of the country of origin communication certainly holds a great potential of successful generation of secondary brand associations.

However, in order to gain a strong, favorable and unique brand image and ultimately reinforce brand equity, the active management and monitoring of the country communication is of importance, as a certain degree of control is lost due to the fact that the other entity (the country) does have an image on its own, that also bears the risk of turning negative.

Consequently positive as well as negative spillover on the brand need to be considered.

The second part of the thesis will now introduce the methodology followed by the cases, that were the objects of analysis.

Based on the theoretical background the aim is to provide insights and practical applications of the concept of the country-of-origin effect as well as a set of considerations, and learnings from evidenced by the marketing communication followed by the cases.

## 7. Methodology

The aim of the research is to gain a cohesive understanding of the company's perspective and practical application of the country-of-origin effect in the corporate communication efforts.

As the attention of scholars so far was predominantly focusing on the consumer perspective and how they are affected by the origin information cue, the research is designed to seek insights into the way marketing managers actually make use of the origin-effect based on what scientific studies have provided as theoretical background.

The methods that would allow to follow the research questions posed would include qualitative surveys in the form of questionnaires or quantitative research in the form of interviews or focus groups.

As the intention is to find best practice or even learnings for companies, the option chosen was to focus on qualitative research in order to allow for flexibility and elaboration on the key issues in the country of origin communication strategy that might not have been found in a fixed set-up questionnaire, but can only to be extracted in the form of a face-to-face interviews.

It could be argued that a qualitative study set up would lead to greater generalizability and offer a wider spectrum of company insights as it provides the possibility of a large distribution and reach of various companies by mailing questionnaires; however, under these circumstances one would be restricted to a standardized question-answer scheme that might not offer deep insights into the various application methods of the origin cue followed by the companies.

Furthermore comparability among the companies might be limited due to different size, varying industries or different levels of internationalization reached.

The idea of a focus group was also dismissed, as the study intended to focus on two particular companies and the discussion in such a group might have lead to rather general insights discussed among marketing experts than specific applications.

Therefore it was decided to conduct case based research with the support of qualitative interviews analyzing companies with a strong country-related communication strategy forming a crucial part of their branding.

The first step of analysis included the research for sources of the theoretical foundation of the country-of-origin effect in international marketing.

The bibliographical search was conducted using bibliographical databases, specialized research databases and relevant websites. The sources were accessed in the timeframe of September 2011 until August 2012.

The databases, articles, journals and books used for the development of the theoretical background were derived from the libraries at the Norwegian School of Economics and Business Administrations (NHH) in Bergen, Norway, Università Commerciale Luigi Bocconi Milan, Italy and Vienna University of Economics and Business (WU Wien), Austria using BYBSIS, EBSCO, ePUB, ProQuest, WISO Wirtschaftswissenschaften, Lexis Nexis University, Amadeus and ESO.

The searches were carried out using key words as “country of origin”, “origin+marketing” and “coo effect + behaviour”, “coo+brand equity”. In addition, direct searches on authors or journal also took place, mainly on Papdopoulos, Heslop, Niss, Steenkamp and Thakor and journals including “Advances in International Marketing”, “European Journal of Marketing”, “International Marketing Review”. The searches were limited to include articles in English and German.

The second step was an analysis to determine the companies that were targeted to be investigated as cases. As a reference the Austrian Brand Equity index was used as well as a screening through the company’s web resources available in order to determine the degree of country of origin information applied by the brands.

In a final step, the two companies Josef Manner & Comp AG and A. & S. Klein GmbH & Co KG were selected as empirical cases.

Before the actual primary data was gathered, in-depth analysis of secondary resources made available by the company such as press releases, company history timelines, information for investors as well as newspaper articles, books about the company and related previous thesis and PhD publications were screened through in order to prepare the interview questions.

The follow-up research with the gathering of qualitative primary data was inspired by Niss’s (1996) study on the country of origin effect used in international marketing.

The interviews were semi-structured in form and lasted about one and a half hours. Both of them took place at the company's head premises in Vienna in September 2012 and the spoken language was German.

The semi-structured interviews allowed the coverage of the key issues and themes to be explored with each respondent. It was also a way to guarantee a certain degree of comparability among the two cases. However, as the industry and the company history as well as structure and approach towards country of origin communication of the two companies involved are very different, the interview time had to be managed in a way to give both space to explore their own thoughts and guide the interview towards the most interesting findings.

Both interviews were tape-recorded, transcribed in form of a summary in German and key quotes, but not verbatim.

### Limitations

The main limitation of the research lies in the fact that it is case based. Generalizability therefore is limited. It also needs to be borne in mind that the two companies that the research was conducted on have been investigated as far as the country of origin information communication of Austria is concerned. The aim was to gain insights into the actual application in a real life setting with the latest communication tools available and limited to country of origin information of Austria. Even though both companies are using the same country of origin, comparability is limited due to the fact that they operate in different segments.

Furthermore, as with any qualitative research via interviews, the final interpretation of verbal as well as non-verbal articulations, of explicit as well as implicit meanings lies with the interviewer and needs to be subject to a test of validity.

In order to counteract the risk of subjective interpretation on behalf of the researcher, the method of interviewing chosen was semi-structured, whereby during both interviews several pauses were taken in order to clarify or reformulate the content to guarantee accuracy.



### 8. MANNER - Josef Manner & Comp AG

Founded in 1890, Josef Manner I owned a small shop right next to Vienna's most famous landmark the *Stephansdom*, where he sold chocolate bars and fig coffee. The shop and its products offered were highly appreciated so Manner soon became the leading confectionary company in the Austrian-Hungarian Empire.

In 1898 a milestone product, namely the hazelnut cream filled Manner Wafers were invented because Josef Manner was not satisfied with the existing offering of so-called "Neapolitaner Wafers" available on the market. With this step he took the company from a wholesaling to production (Josef Manner & Comp AG, 2012).

At about the same time Johann Riedl decided to enter into the company by buying half of the company's shares, which lay the foundation of the successful collaboration between the Manner and the Riedl Families that continues to this day. Ever since the company has clearly positioned itself as an Austrian family business with an outspoken commitment to quality and tradition (Josef Manner & Comp AG, 2012).

At the beginning of the 20<sup>th</sup> century the profits and the sales were constantly rising, as was the growth of the company. This seemingly endless success was hampered by the serious economic and material damages caused by the two world wars.

Furthermore the collapse of the Austrian monarchy severely hurt the company. Previously the wafers were highly appreciated presents and luxurious souvenirs sent and brought from Vienna to any of the surrounding countries that were part of the Austrian-Hungarian empire. Due to the new division of independent countries, trade was no longer borderless and the wafers could not be distributed to certain destination any longer.

Traditionally, the old Danube monarchy region, so to speak the Central and Eastern European region is part of the "wafers culture" whereas Germany, the United Kingdom and the Northern countries portray a "biscuit consumer culture". So with the creation of new borders after two world wars, Manner lost a significant part of their target market (Schrott, 2012).

However, the Manner production facilities in Hernals, Vienna withstood the hail of bombs until 1945 and remained almost intact. The production continued uninterrupted. Though the product was then, during the times of reconstruction of the country after the war, even more

so considered to be a small luxury that was not purchased on a daily basis.

Manner managed to return to its initial success story and gained from the “economic miracle” years, which also uplifted the consumer purchasing of higher quality goods. This led to the fact that the wafers were consumed by every social class at any given age. The popularity of the product in Austria is undeniable as is confirmed by a survey by the market research institute AC Nielsen, revealing that 97% of Austrians are familiar with the brand (Kühschelm, 2005, p. 99). In 2009 the Manner was voted “the most popular Austrian brand” according to the “Brand Asset Valuator” by Medianet (ATmedia, 2009).

The increasingly international success of the product was also due to Austrian war refugees, who loved to consume the wafers also abroad as they reminded them of home.

As the years went by, competition got fierce. Especially Austrian confectionary companies were attracting foreign investors in the 1960s and 1970s.

Also Manner, by then in its most profitable years, was searching for partners and target companies to be acquired.

After a change of generations in the operative management of the company, Dr. Carl Manner, the grandson of company founder Josef Manner I, took over as CEO, the company merged with Napoli, Regendorfer & Co, the second largest Austrian confectionary company in 1970. The product assortment was soon to be complimented by Casali Chocolate Bananas, Casali Rum-Kokos Candies and Napoli Dragee Keksi. In 1996 Manner took over Walde Candita GmbH and Co KG and in 2000 the renowned company of Viktor Schmidt & Söhne. These acquisitions helped Manner to further diversify within its sector, by adding famous brands like “Ildefonso” and “Mozartkugeln” to their assortments. However, the umbrella brand always remained Manner (Kühschelm, 2005, p. 100-105).

In early 2004, Manner opened a very successful flagship store right next to the Stephansdom in Vienna’s first district, taking the shop back to its original location. The positive resonance led to further shop openings at the Vienna International Airport as well as in Salzburg. Next to the products, there is a vast line of merchandise revolving around the pink Manner theme available.

Currently there are three production facilities in Austria, located in Vienna, Perg and Wolkersdorf, where all the goods are produced, using the most modern production processes and certificated with the IFS award, which guaranteeing safety and quality (Annual Report

2011, Josef Manner & Comp AG, 2012).

According to the Annual Report of 2011, the company reached a revenue of Mio. 169, 87 EUR with around 700 employees operating in approximately 50 countries, with a direct presence in Germany the Czech Republic and Slovenia.

The company is listed on the Vienna stock exchange with the majority share of the company stakes owned by the Manner family and the Andres family (Annual Report 2011, Josef Manner & Comp AG, 2012).

Manner is the market leader as concerns wafers production in Austria and number three in the overall Austrian confectionary sector. In their press releases Manner underlines that they are a traditional mid-sized family business that combines in a unique way “Viennese Tradition with a modern Image” (Josef Manner & Comp AG, 2012).

History and tradition have always played a key role in the corporate identity of Josef Manner & Comp. AG, consequently the story of Manner is well perceived and known by many customers in Austria.

In general the relationship between Austria and Manner is traditionally important in order to make the product work. The *Stephansdom* for instance, which is financially supported by Manner, is printed on every single package of the product. This special right to use this image of one of the most important landmarks of the city of Vienna has exclusively been awarded to Manner and can therefor only be applied by the company.

Furthermore, all the advertising and merchandising involve Vienna. There are even traditional *Fiaker* horse carriages and trams coloured in Manner pink, which will be explained in detail below.

Due to the strong brand recognition adding inimitable extra value, Manner & Comp. AG is considered to be an interesting target for takeover. Famous companies such as Cadbury, Philip Morris, Haribo and BSN continually express their interest in the company (Kühnschelm, 2005, p. 101).

To stay competitive Manner wants itself known to be a quality leader, which uses only the best ingredients as indicated by the newly rewarded UTZ certificate and highest technological standards. To guarantee further growth in this sector, entering new markets and expanding the presence in existing foreign markets is inevitable (Annual Report 2011, Josef Manner & Comp AG, 2012).

The overall future goal is to further advance and develop the core markets (Germany and CEE region) but never putting tradition, core values or quality at risk.

As regards the marketing strategy, the Chief Marketing and Customer Officer, Dr. Alfred Schrott explained during the interview, that the focus will be on creating a cohesive Manner image, so to speak a “Manner World”, that will be used not only in Austria, but in all export markets. So far the communication strategy was mainly focused on the home market, with the regional offices applying local marketing activities. Now, the company wants to present itself in a more unified way, where TV spots are also translated and broadcasted abroad, and the sponsored events reach a new, previously unknown international magnitude, such as the ski jumping competitions.

### **8.1. The Country of Origin Communication Strategy**

The analysis will focus on the company’s core product, namely the Manner Wafers. Even though the company has vastly extended its product line and additionally acquired other confectionary producers operating under a different brand, the umbrella brand remains Manner. Furthermore the marketing promotion is primarily focused on the wafers, aiming to reach a spillover effect on the other products.

#### **8.1.1. The Product: Manner Original Neapolitaner Wafers**

The hazelnut cream-filled wafers are known to be cult and a real classic. Strongly associated with the taste of childhood and tradition, a survey shows that 97% of Austrians know the famous brand (Kühschelm, 2005, p. 101).

Quality and fair trade are seen as the most important aspects of the Manner products, a value, going way back in its history. Apart from the delicious wafers, there are other factors, determining the product’s distinctiveness: the package size (49x17x17mm) that has not been altered since the invention, the pink color of the packaging, the symbol of the *Stephansdom* that always reminds foreigners, were the five layer wafers actually come from and the unique airlight packaging in double aluminum with the red tear off strip, which was invented in the nineteen sixties. The product itself has never changed since its invention, but the design has of course altered due to the changing times (Figure 10).

The wafers are considered to be handy, as their packaging is small and easy to store. In their previous advertising communication, the company highly stressed the fact of the innovative packaging, indicating that it fits anywhere, starting from a schoolboy’s satchel to a suit’s pocket, it can be enjoyed when hiking, when skiing, it fits in a clutch of a lady enjoying a

concert at the Vienna Opera and any other snack occasion (an Austrian could think of).

In Austria the wafers are available almost everywhere: supermarkets, cinemas, skiing condos, kebab shops, gas stations etc. which is a crucial part of the distribution strategy, indicating an omnipresence, as the product is supposed to be enjoyed at any given occasion throughout the day by any person from 1-100 years of age.

The company also claims, that this is part of being a customer friendly traditional Austrian family business, that they also sell small amounts to any merchandiser, and not only to large discounters and wholesalers.

An interesting fact about the sweets and confectionary sector is that there is usually product seasonality with higher sales in winter. However due to the “solidity” of the wafers and the packaging, the Manner Wafers offer the advantage of non-melting in comparison to other chocolate containing sweets, therefore there is almost no seasonality in demand.

## **8.2. Marketing Communication of the Country of Origin**

As has already been outlined on several occasions, the company makes intense use of references to their country of origin applying different tools and methods of how to communicate this to the consumer. The next paragraphs should give a detailed prescription and in-depth analysis of how the origin information communication is conducted.

### **8.2.1. The brand name**

“Manner” derives from the founder’s last name and does not necessary evoke an Austrian connotation; It is not a widely spread, traditional Austrian name and does therefor not indicate a country reference in itself, as does for example the last name of the Italian fashion designer Gianni Versace. However the company strongly communicates the fact that Carl Manner, the grandson of the founder, is still actively engaged in the company. It is thought to communicate strong values such as family and long-lasting tradition, which is thought to be a particular Austrian cultural trait.

### **8.2.2. The Packaging Design**

The format and the size have already been explained. More importantly for the country of origin communication are the package design and what it actually implies. The pink color and the blue printing are the signature style of the product and represent the corporate identity. The clear reference to Austria is made via the use of the image of the *Stephansdom* with the

words above spelling “Vienna”. Interestingly this image has been used right from the foundation of the company, as the original shop was located right next to the dome. On the back of the packaging there is a clear indication where the product was made. As can be seen in Figure 12, on the left hand side, there is the label “Made in Austria” underlined by the Austrian flag, which is not an official certificate though. The company particularly stresses the fact that all products are produced in Austria, at either of the three premises and highlights the commitment to Austria as an industrial location, which is evident in both the Annual Reports, the Web page as well as the personal interview with Dr.Schrott, the Chief Marketing and Customer Officer.

### **8.2.3. Slogan**

The slogan of the product is “Manner mag man eben”, which has been translated as “Why you just like Manner” (a more direct translation would be “one simply loves manner”). Once again, the focus here is on the brand itself and not the generic product. This can be explained by the fact that in Austria the product has become so popular, that “Manner” clearly refers to the wafers, consequently the brand name is a synonym for the product. This reflects positively on the brand awareness and brand recognition.

### **8.2.4. Stephansdom**

The relationship between Manner and the city’s most recognized landmark, the Staphanscathedral is a unique and rather personal one. First of all, the use of the image of the dome is legally protected, indicating that no other company is allowed to use the symbol (see Figure 11).

It has already been mentioned in previous paragraphs that the first shop was close to the church and therefore Josef Manner I, decided to link the product to the shop location thereby referring to the dome. Furthermore it was explained during the interview with Dr. Schrott, that the Manner family is catholic by religion and involved in the church’s activity. The myth is that Josef Manner I himself used to say the “the Steffl”, as the Viennese colloquially refer to the cathedral, is protecting him throughout his life and career. Up until this day Manner pays the salary of one of the stonemasons that is taking care of the dome. One could say that this was one of their first sponsoring activities.

As can be seen from the products package design timeline Figure 10, the symbol has changed throughout the years, but is always put in a prominent spot.

### 8.2.5. Distribution and Points of Purchase

As has already been elaborated on in the product section, the idea behind the distribution network strategy in Austria is to be available in every “snack situation”. From the traditional corner shop, to large-scale supermarkets, skiing chalets, theater bars, school buffets to gas stations. Even on the flights conducted by AUA Austrian Airlines, passengers are provided with the traditional wafers.

In addition to that there are the three flagship stores, one in Vienna, one in Salzburg and the last one at Vienna International Airport, which are some of the key spots to visit for tourists when they are in Austria. The chosen locations reflect the desired link of the company with Austria, which is here especially presented to foreigners.

The distribution network abroad is less elaborated with a direct presence in Germany the Czech Republic and Slovenia, in all the other countries Manner AG works through exporters or agents. The store in Munich had to be closed down already a few years after the opening, due to low frequency. This gives an indication of how much the product is connected to Austria, in comparison to other countries, where there is not such a traditional link.

### 8.2.6. Country Symbols and Representatives

To gain a first impression of how strongly the company forces the connection between the product and the country one simply needs to go online and look “Manner” up on the search engine Google, where it presents itself as “Manner-the traditional Austrian Sweets Manufacturer” (Google, 2012).

The company makes extensive use of country of origin symbols to create this link, in a more subconscious, subtle way, the most evident symbol has already been described, which is the Stephanscathedral. Furthermore the company started using other country symbols in their advertising such as the red white red national flag, an advertisement with children wearing the national costume and one of the most well known examples are the traditional Viennese tram and horse carriages called “Fiaker” in “Manner Pink”(Figure 13).

In the advertising copies the famous ferris wheel, called “Prater Riesenrad” is repeatedly featured, creating yet another connection to the capital of Austria.

In 2008 the Austrian Post AG dedicated a stamp to Manner that was only available in a limited number (Figure 14).

For special editions of the packaging, the company works with Austrian artists, such as for example the Cartoonist Manfred Deix, who illustrated one of their boxes.

When asked in particular about the importance of connection between the product and

Austria, Dr. Schrott mentioned the story of the first speech given by the newly elected president, Dr. Heinz Fischer, which was broadcasted on TV, where a package of Manner wafers was prominently displayed on his desk. According to Dr. Schrott, this clearly symbolizes the relationship, implying the fact that the wafers can be seen as the nation's first choice confectionary.

The most prominent product placement was the one done by Arnold Schwarzenegger, himself a great fan of the wafers, in the movie "Terminator". Regardless of the fact that the United States of America are not considered to be one of the key-target markets of the company, it created a lot of attention and as a proud Austrian, Schwarzenegger can be seen as an "overseas brand testimonial", once again creating a connection for the consumer between Austria and the wafers.

#### **8.2.7. Television Copies**

This section focuses on the few spots that were aired on television. It is important to notice, that they were targeted for the Austrian market and peripherally for the German market, but there was no translation to any other countries, nor were they broadcasted.

The 2005 copy uses the "Terminator" film sequence as to attract particularly younger consumers. The effect of using Arnold Schwarzenegger as a testimonial has already been explained above (Manner TV Copies, 2012).

<http://www.manner.com/en/index.php?idp=47&lang=1> (derived 10.6.2012)

For the "110 years-of Manner" celebration two new TV commercials under the theme "Enjoyment à la Vienna" were produced. The company's aim was to "show the traditional core values of the Manner brand and to communicate these values in a modern way" (Manner TV Copies, 2012).

In 2008 the copy features to "American Gangster Style Rappers", who are dubbed and turn out to speak in a very strong Viennese dialect, talking like two typical old pensioners complaining about everything. Once again the campaign was targeted at younger audiences, using the element of surprise, and playing on the fact, that the typical Viennese person is always in a bad mood, grumpy and using a very different kind of language. Clearly, there is a strong association with Manner and Vienna, as usually TV spots are free of any dialects using standard German (Manner TV Copies, 2012).

The second spot in that category involves a rock band on stage, longhaired, in wild leather



jackets and with electronic guitar's, who are sharing the wafers before the concert. But once they start playing, they do not play any hard metal, but a traditional Viennese "feel good" song. Just in line with the other storyboard, there is the element of surprise and the strong connection to Vienna through the song. At the end of the spot the voiceover says, "Manner-enjoy the Viennese way" (Manner TV Copies, 2012).

<http://www.youtube.com/watch?v=Ize5S5PkYU&feature=relmfu> (derived 4.6.2012)

<http://www.youtube.com/watch?v=dCII0uHWRGE> (derived 4.6.2012)

### **8.3. Vienna versus Austria**

In recent years, Manner actively engaged in market research, especially as regards the perception of Vienna in their communication strategy. The results indicate, that there are rather positive associations, which will be explained later on, however, especially with regard to the image within Austria, the Vienna does evoke also some strong negative associations as the "arrogant, old-fashioned capital".

At the same time other Austrian regions as the Tyrolean area or the Salzkammergut, enjoyed a modern, active image. There are strong associations with nature, health, outdoor sports, friendly and welcoming people, regions that offer modern and active surroundings. This is an image that also Manner wanted to leverage on.

In order to counteract the negative perception regarding Vienna, the communication should therefore not only include the capital, but broaden the brand origin image to include all of Austria. This was primarily conducted through sports sponsorship as will be explained in the next section.

### **8.4. Sports Sponsoring**

The idea behind the sports sponsorship was to give the brand a modern, active touch.

Therefore it was important to find a sport, that is strongly associated with Austria, but at the same time also attractive and popular for the other target markets, so to speak Germany and the CEE region. The choice was then made to sponsor six ski jumpers, out of which four are Austrians and two are Germans. The sportsmen all wear the rather unique and conspicuous pink Manner helmet (Figure 16), that has been a success also with hobby skiers, increasing the brand awareness and visibility at a very high rate, connecting the brand with a modern image of Austria especially during the winter season.

Andreas Kofler, one of the ski-jumpers, is also shown in short sequences on a national TV campaign explain in a humorous way the easy to open packaging, the wafers as "sweet

energizers” and the fact that once could share them, but solely does as the wafers are that good. (Manner TV Copy Kofler, 2012)

This was a key turn point in the communication of the country of origin, as it shifted from solely Vienna, to including all over Austria.

## **8.5. The new international umbrella brand campaign 2012**

A special focus should be given to the most recent campaign, as it is very unique and completely changing the way of communicating the brand and what it stands for. First of all, this is the first campaign that is actually translated and aired in all the key target regions.

Therefore, the storyboard was created to speak to potential customers that are not aware of the brand yet. Previously the campaigns were only shown in Austria, with a brand awareness of 97%, so some key messages, like the signature pink color to create recognition etc. did not have to be that prominent as the consumer was already educated.

The story behind the new campaign is about the so-called “Mannerfacteur”, who impersonates the one who oversees the whole production and quality of the wafers-production. He is in search to find out why the wafers are such a loved product by everyone.

The scenes are shot in “retro style”, using elements of the time, when the product was actually first invented in 1898. The copy stills are all held in “Manner Pink” and the Music sounds like from a gramophone with noises of steam trains reminding the customer also of the famous Manner train in pink. The lyrics of the song say: “It’s the Mannerfacteur, he’s the one who takes care.” This is a play of words as the indication is that the wafers are not “produced” mechanically by machines, but the impersonated character, the “Mannerfacteur” is manufacturing the sweets.

The scenes held in a kind of “nostalgia mood” feature a dollhouse that is the Manner factory, the production facilities, a boxing ring, where the “Mannerfacteur” has to fight for the best ingredients, a harbor where the cocoa is delivered and the wafers oven.

The famous Manner elements include, furniture reminding of a traditional Viennese coffee place, a pack of cards, referring to the tradition of playing cards in coffee places, a ballet dancer, also famously known for Vienna and of course the city’s landmarks such as the Stephansdome, and the Prater Ferris wheel.

This new campaign delivers the following key messages: first of all the tradition and long

lasting history of the brand portrayed by the “retro elements” of the campaign. As the key visuals remain Vienna’s landmarks: the Stephansdome, the Fiaker, the coffee tables referring to the “Kaffeehaus” culture as well as the big wheel, the statement is to make a reference to Vienna as the “home” and expert on baking sweet confectionary.

The second element is the high quality of the ingredients (UTZ certificated) and the fact that they are actually “manufactured”, so to speak “produced with care and attention” with a lot of expertise and love for detail.

According to Dr. Schrott, the campaign perfectly combines tradition and modernity, positioning the brand in accordance with its core values such as quality, production expertise, sustainability and a long lasting history. The spots are aired in Austria, Germany, Slovakia, Hungary and the Czech Republic.

The campaign was followed up by a roadshow in Austria and Germany. The tour included a small bus, stopping at bigger cities in Austria and Germany, where there was an impersonated “Mannerfacteur”, who invited the people in a playful way to have a look at the ingredients, test them and experience the quality of the product.

In order to make reference to the country of origin, the “Mannerfactuers” were all Austrian male students, underlining the country of origin especially in Germany, where a different accent is spoken.

This follow up roadshow was very important, explains Dr.Schrott, as it is a key issue to engage and involve the customer and create an experience that leads to a sensory and emotional connection to the product.

As the advertising panorama is increasingly dense, and in comparison to the large multi-national confectioners, Manner AG is handling a minor disposable advertising budget, it is crucial to target the consumer, where he or she is available and present. One cannot expect the consumer to be active him or herself, but the potential customer needs to be attracted, involved and taken into the brand world, which also means entering Vienna in the case of Manner.

<http://www.youtube.com/watch?v=H2NroDsgral&feature=relmfu> (derived 4.6.2012)

## **8.6. Other related tools indirectly communicating the Country of Origin**

### **8.6.1. Bonbonball**

Vienna is known for its Opera, Music and the opulent ball season. In order to celebrate Vienna as the “sweet capital of confectionary and pralinés” the so-called “Bonbon Ball” takes place. It’s a long tradition dating back to 1949 (Alphonsus GmbH, 2012).

Manner AG is one of the main sponsors at this event, participating in an original way: every year the “Miss Bonbon” gets elected at the ball, she then has to sit on a scale, where her weight gets equalized against Manner wafers (Figure 17). Traditionally she gives the wafers to a charity organization for children.

As can be seen, this is a very unique way of relating to the country of origin and leads to increased visibility among foreign ball guests.

### **8.6.2. Baking Platform**

On the webpage, Manner encourages its fans to blog and advice each other on how to bake cakes, strudels and cookies, with reference to the products offered by Manner. The platform is intended to engage customers and offers a service. As Manner perceives itself as an “ambassador” of the Austrian dessert and baking tradition, the platform provides a tool as to link the assumption of “Viennese baking culture” and Manner products.

### **8.6.3. Merchandising**

Judging from the web-platform and confirmed by Dr.Schrott, Manner does have an active fanbase that eagerly engages in information sharing (Manner Freunde, Manner AG, 2012).

In order to leverage on the fact that the fans and supporters enjoy exhibiting their fondness by posting pictures and giving advice, Manner offers also a large range of merchandising products available in the shops and on-line (Manner Freunde, Manner AG, 2012).

In line with the argument, that Manner is a representative of Viennese sweets baking, they offer baking kitchen tool and aids and recipe books.

The merchandise related to Austria as a sports nation offers the famous skiing helmet, that is worn by the ski-jumpers as well as gloves, baseball hats and biking garments with the pink logo.

## **8.7. Resume: Interview with Dr. Alfred Schrott (Chief Marketing and Customer Officer at Manner AG)**

After having gained insight into the main marketing communication tools used above- as well as below the line and relating them to the use of the country of origin effect, the next step of the case analysis was to conduct a semi structured interview with Dr. Alfred Schrott, in order to clarify the underlying reasons for the use of the connection of Austria and the product more importantly what kind of connection they want to create in the consumers mind and the benefits they intend to derive from this connection. Parts of the interview have already been included in some of the parts relating to the operational communication tools listed above, however, the strategic and analytical background will be provided in this section.

### **8.7.1. Stereotypes and Images**

It can be assumed that a country does offer a broader range of aspects that are valuable to stress depending on the product that is concerned. Therefore it is each individual company's choice whether to communicate the origin at all, and if so, what aspects are relevant in connection to the product. After all there should be a benefit that derives from the country of origin information with relevance to brand equity.

In the case of the branding of Manner the historic association and intended link was not with Austria as a whole, but specifically with Vienna.

The associations that are stressed by the company relate to the following themes: Vienna as the former capital of the Austrian-Hungarian empire, the cultural center of music and fine arts, the home of the traditional "Kaffeehäuser" (coffee places) where people stay for hours to chat, work, play cards or simply consider it as their extended living room. This has led to the association of the city with coffee, sweets, cakes and confectionary. This is exactly the image that the company wants to link between the city and the product.

Using this image of Vienna should reflect on the fact that the wafers are produced in a destination famous for sweets, having a long lasting tradition of using the best recipes and highest quality goods. According to Dr.Schrott, that is the perfect fit between the city and the wafers and has been described in the theory section as "specialization" and "expertise" gained by a country.

### **8.7.2. Negative Aspects to consider**

However, there are also negative aspects associated with Vienna. Market research conducted by Manner has shown that Vienna is also a synonym for grumpy and unfriendly people, outdated nostalgia, especially in relation to the imperial and royal empire, a trait that especially all the other Austrian regions cannot relate to. In general there is the perception that in comparison Vienna is rather slow, not embracing innovation or modernity in living rather in the past.

In order to counteract the dominance of any negative associations, it has already been said, that Manner shifted its origin communication strategy from solely being Vienna to all over Austria.

### **8.7.3. Within country considerations**

For a long period of time, the brand was perceived as a uniquely Viennese. That reflected badly on the image within the country, as other regions could not identify as much with the product, if they held primarily negative associations with the capital. So the shift of communicating Austria as a whole as the origin positively reflected also on the national perception of the brand.

It has already been elaborated that the sports sponsorship was a crucial step in this respect, especially as to communicate the modernity and practicality of the product.

### **8.7.4. Export Origin Communication Strategy**

Dr. Schrott explained that in former days the fact that Manner was from Austria was a clear differentiator from competitors. Specifically in the primary export markets, which are the eastern European countries, goods from the west were perceived as high quality and premium. Still nowadays, Manner primarily uses this association of being premium and offering high quality. However, the fact that Austria is the country of origin does not highlight this on its own any more.

In Germany for example, customers refer to the product as a premium good made in Austria, not merely because of the quality but more important to them is that the production in Austria stands for high manufacturing standards, fair remuneration of employees, good relations and fair treatment of the people along the value chain and other factors relation to the corporate social responsibility.

This is an important insight derived from this case analysis: one needs to be aware that the country of origin includes a broader spectrum of implications and consumers do not merely

judge the origin as an indicator of product quality, but use it as a reference to the overall corporate culture and social responsibility. These days the end-consumer is not only concerned with the end product, but also the circumstances under which the good is produced.

#### **8.7.5. Brand Communication Issues linked to Austria**

In addition to the direct references to Austria as the country of origin, which should confirm the fit between Vienna and the culture of sweets and bakery as well as showing that it is a premium product, one could also indirectly imply that the use of humor and making fun of the Austrians or not taking oneself too seriously is an Austrian trait, and therefore implicitly implies a cultural connection to the country on a rather emotional level, aiming to give the brand personality and sympathy. However, this is mainly used in the past communication items, such as the banners, the TV ads and the spots with the skiing team. As humor does not translate easily into other cultures, it is most likely that this kind of communication will remain within the national borders.

#### **8.7.6. Company Culture and Values**

The company clearly positions itself as an Austrian family corporation. It seems as if tradition, quality and family are values that are inevitably linked to Austria according to the material and press releases provided on the webpage and annual reports. The fact that the majority of the company's shares remains in the hands of the Manner family is stressed very strongly and should add to the fact that Manner is no anonymous conglomerate but a transparent company with social commitment. This feeling of commitment is also linked to a certain patriotism, so to say the intention of "giving something back" and support the Austrian economy.

That is one of the reasons why the relationship between Manner and Austria is working so well according to Dr.Schrott, as the consumer trusts the company and believes the claim that the product is made in Austria. Dr. Schrott sees this as a vital part, as there is nothing worse than companies claiming a "fake" country of origin. According to him, consumers are very informed these days and feel tricked by false claims, which will eventually fire back to the company. He therefore does not feel threatened by "false made-in labels" as in his opinions NGOs and the consumers themselves will reveal the truth.

### **8.7.7. Country of Origin Communication over the Product Life Cycle**

As can be seen from the elaborations above, Manner actively monitors the perception and connotations that go along with Vienna and Austria as a country of origin. Therefore the case confirms the notion and important management of the origin information communication throughout time. To summarize this notion: Manner started with communicating Vienna only in there advertising and then shifting towards all over Austria origin communication strategy. Still, not abandoning the fact that it is a Viennese product, the brand tries to communicate the origin on a dual basis, Vienna as well as Austria. It has been said that this is important for the perception within Austria as well as for the perception of the brand as modern and active. Furthermore it is important to update the relevance of the country of origin images used in order to position the product according to the changing times. This has been done via new TV campaigns, the consumer involvement vie social media as well as sponsoring Austria related events such as the Ball, to make the link to Austria more feasible for the consumer and show how, so to speak in what way the product is related to Austria.



## 9. Almdudler - A. & S. Klein GmbH & Co KG

The second case is about one of the most renowned family companies in the beverage industry.

As with many of small to mid sized family owned companies, the success and growth is strongly connected and interlinked with the family members and their history. As is the case with “Almdudler-Limonade A. & S. Klein GmbH & Co KG”.

The actual beverage, as it exists today was invented by Erwin Klein in Vienna in 1957. He inherited a soda and lemonade production company, that was founded already in 1886, but up until the 1950ies they did not produce their signature product, the “Almdudler” lemonade. Originally the word ”Almdudler” was a generic term, designating any mix of sparkling lemonade with wine or beer, however, the founder of the soda company, Adalbert Klein, registered the term, years before the actual product was invented at the commercial register, so the term was then owned by the company.

The industry of alcohol free beverages, sodas and lemonades was at that time a local to regional business in Austria. There was no dominance of a single producer, but rather many small to medium sized companies that offered divers fizzy pops.

On the 17<sup>th</sup> of October 1957, Erwin Klein mixed and produced the sparkling herb lemonade for the first time with the ambitious aim to position it as Austria’s first national drink using the name “Almdudler”.

Erwin Klein was known to be a charismatic person, with a marketing acumen far ahead of his time. He convinced the local soda producers to unite in order to have one single branded herb lemonade throughout Austria, instead of many single ones, under the brand “Almdudler”.

Erwin Klein succeeded in developing an efficient, previously non-existing licensing system. Throughout the country the soda companies were responsible for bottling the soda, while he himself took care of the marketing activities, with only a small bottling production facility in Vienna.

By 1973, the production and sales activities were completely outsourced and Erwin Klein has found approximately 300 licensing and sales partners in Austria, representing about two thirds of the total of the carbonated drinks producing companies within the country (Klein, 2010, p. 94-103).

As has already been mentioned, Erwin Klein did find progressive ways of communicating the brand and its positioning as Austria's national drink.

He himself was a great supporter of the Austrian skiing and biking team and eagerly tried to connect this national sport with the drink. Therefore he sponsored to a large extent the food and beverage supply of the Austrian team at the Olympic games in Innsbruck in 1964, he hosted the "Return Gala of the Sportsmen" that were participating in the games in Grenoble in 1968 and supplied tricots for bike races in Austria.

As he outsourced the production to many small soda-producing companies, he created a dense network of distribution reaching even the most remote places such as skiing cabins and chalets, thereby guaranteeing the availability of the product at any given time.

Erwin Klein also seized the moment of creating an emotion link to the product by clearly stating that whoever consumes the product is "drinking" Austria. In the 1950ies and 60ies that was a rather bold approach, as national pride was still something that needed to be approached with care, after the events of the second world war.

Furthermore he profited from the growing number of home-refrigerators allowing the drink to be consumed also in a private setting.

Challenged by the threat of the increasing supply of sodas and colas offered by the US competitor Coca-Cola Company, which profited from the positioning as a modern-western lifestyle product, Almdudler clearly made a stance against this competition by differentiating itself as purely Austrian.

The marketing concept appeared to be successful with A. & S. Klein being the strongest branded organization in the non-alcoholic beverage sector by 1968 (Klein, 2010, p. 102).

In 1971 the company received the rare privilege of using the Austrian coat of arms for trade purposes (Figure 18) (Klein, 2010, p. 102).

With his sensibility to the changing times, after the Second World War and the change of society and the held values in general, Erwin Klein was able to fully leverage the potential of the link between post-war Austria and his product. He emotionalized the beverage by claiming it to be a drink for patriots and was one of the first ones to air short advertising spots on national television and the radio. A famous claim from one of the first radio spots was: "Wer Almdudler trinkt, liebt Österreich!" ("Whoever drinks Almdudler, loves Austria!"). Erwin Klein provided sunshades in red with the Almdudler logo as well as deckchairs to the mountain pasture owners, a promotional tool that still exists today. He looked for strong

product placements in then famous sentimental films in regional alpine settings, not to speak of the sport sponsorship that was still at the core of the brand.

However, it has already been mentioned that the success of the business is strongly linked to the Klein family and in 1983, Erwin Klein died an unexpected death, due to suicide.

At the reading of the last will, the company was split into three shareholders: 50% should be held by Erwin Klein's wife, 25% by his daughter and 25% by his son Thomas Klein. This split of ownership remains until today and is strongly stressed, as the company positions itself as a family company.

At the age of 21, Thomas Klein took over the company and was from then on responsible for the brand. Almdudler itself was known and perceived well by the population, however, due to some personal investment, the company numbers were in the negative.

Consequently, it was Thomas Klein challenge to make the company also a financial success. He continued the path of his father, with a strong focus on marketing communication and PR activities of widespread impact. He himself also portrayed sensibility to the consumer and the market, realizing that in order to keep the brand alive in this increasingly competitive environment the brand needed to be revitalized and modernized.

Having to withstand the attempts of takeover by several international beverage conglomerates such as Coka Cola Company, Thomas Klein was incited to augment sales, awareness and stress the unique selling proposition to differentiate the brand in order to be able to survive against the global players.

This primarily affected the communication strategy that needed to be modern but at the same time in line with the company's core values and existing consumer perceptions of the brand. Without a doubt the connection of the product to Austria, the patriotic idea behind it was a strong tool that cannot be imitated and therefore was communicated in an even stronger way.

In 2004, however the family decided to withdraw from any operational tasks and now is presented only in the board, being an active owner and consulted for strategic issues.

Nonetheless, Thomas Klein remains strongly connected to the brand, being also the public face of the company.

Today the company's headquarter is located in Vienna with about 50 employees. As has already been said, the company is to 100per cent owned by the Klein family and has never been listed. The core fields of operations include the organization of the bottling and sales activities, with a strong focus on marketing and brand building that remains strictly and

exclusively in the hands of the company. The drink holds a stable market share between 10 to 11% in the segment of carbonated alcohol free drinks and aims at continuing its path of growth through exportation (Loudon, 2008). However due to the strong link to Austria and its unique and Austria-targeted communication strategy, these steps have to be taken with care. The marketing communication efforts need to be adapted to fit other cultures and nations as well, however, never putting at risk the core messages and brand characteristics.

### **9.1. The Country of Origin Communication Strategy**

The analysis will focus on the company's core product, the original carbonated lemonade. Even though the product range has been broadened throughout the years, adding a sugar free version, a version with more water ("g'spritzt"; as in Austria it is common to add water to juices to "stretch" the drink), a de-carbonated or flat version of the drink especially for children and a version mixed with beer, as the original generic term "Almdudler" designates a mix of soda and beer.

However, the marketing communication strategy still revolves uniquely around the original core product, the lemonade itself. All other versions are communicated only in connection or under the same theme as the traditional "thirst quencher" as they call their core product.

#### **9.1.1. The Product: Almdudler**

On the webpage (Almdudler.com, 2012) it is said that the original recipe has not been altered for more than 50 years. The soda is made out of 32 natural Alpine herbs, adding to the unique flavor of the drink. There are no preservatives or any artificial flavors added to the drink. Scanning through customer responses on the web, one can find descriptions of the drink, tasting a bit like ginger ale or elderflower juice. The taste is perceived as astringent and not too sweet leading to the assumption of the owner and now member of the board, Thomas Klein, that "one either loves the drink immediately or hates it and will never consumer it again" (Klein, 2012).

According to the press kit (Almdudler-Limonade & KG, 2012) the beverage represents and designates the Austrian Lifestyle with the ingredients deriving all from Austria as well as the production taking place within the country.

Sustainability and environmental concerns are also part of the corporate philosophy, highlighted by the fact that due to the licensing system production is local and consequently transport routes are reduced to a minimum.

Just as is the case with Manner AG, there is a strong commitment to Austria as a place of production, designating it as a place of premium quality products, high production standards at the most recent technological level and fair treatment of employees and stakeholders.

## **9.2. Marketing Communication of the Country of Origin**

### **9.2.1. The brand name**

“Almdudler” used to be a generic term used to describe a mix of sweet soda with beer or white wine. However, Adalbert Klein patented that term. Its direct translation means to “yodle in the Alps”. As Erwin Klein invented the new soda by using the 32 herbs from the Alps, he actually thought that the name perfectly fitted the product and used it to position the beverage, whose taste is similar to the one of ginger ale, as a patriotic answer to Coke and Fanta.

There is already a clear indication and reference to the country of origin in the name alone. Furthermore, the ingredients from the Alps give an indication of what the produce is made of. The writing is held in either red or white, which are also the colors of the national flag in Austria. It can be said that the entire product starting from the ingredients to its PR strategy is based in Austria and in particular the Alpine scenery.

### **9.2.2. The Packaging Design**

The packing is a unique differentiator from its competitors. The “form” bottle as it is referred to is a specially shaped glass bottle that has been used ever since the launch of the product over 50 years ago (Figure 19). Even though the trend has gone to plastic bottles and cans, Almdudler remains widely distributed in glass bottles, though it is also available in other formats. It triggers a certain nostalgia, as typically former generations were use to drink out of the glass bottle with a straw. Consequently there is an emotionalisation to the product, reminiscing of childhood and the way one would drink Almdudler in a hut in the Alps after a hike, a common weekend tradition for families in Austria. The bottle shape serves as a key product identifier and differentiator and is highlighted by the fact that even the headquarter’s entrance in Grinzinger Allee in Vienna is shaped in the way the bottle is.

The key visual to the bottle is the “Trachtenpäarchen” (direct translation: national costume-wearing couple). Over the years, the appearance has altered, starting of as children, now being adults, however, Jakob and Marianne, as they are called, remain the faces of the company ever since its founding (Figure 20).

They are wearing the traditional costume and symbolize the friendly, open and welcoming face of Austria. Furthermore they should symbolize the continuity and long term orientation of the company, as they claim on the webpage “after all Marianne and Jakob have been a couple for ore then 50 years now!” (Almdudler, 2012).

### **The Almdudler Can**

A special remark should be given to the Almdudler can, that is held in red and white (Figure 21). Through online voting via Facebook in 2011, consumer could participate and determine the new look of the can. Interestingly this design, a special “Austria” edition held in the colors of national flag with the original “Trachtenpärenchen” from the 1950ies and this special retro design was chosen. The can also features the flower “Edelweiss”, which is not only known as a famous and rare alpine plant, but also the symbol of the Austrian Alpine Association, that Almdudler collaborates with (Horizont, 2011).

The vote indicates that the consumer themselves identify and link the product to Austria and perceive the strong connection to Austria to the brand as part of the product.

### **9.2.3. Slogan**

A recently published survey concerning the “Brand Equity Index” by AC Nielsen in corporation with the Handelsmagazin CASH, ranks Almdudler at the second place in the carbonated drinks section. The research was conducted during the month of July 2012 and analyzed 208 branded products available in Austria. According to the Almdudler’s operations manager, Gerhard Schilling, this underpins Almdudler great popularity and the positive perception of the brand (Almdudler, 2012).

In their press kit, the company also refers to a survey conducted by Spectra Market research, indicating that 99% of Austrians are aware of the brand and that it ranks as the second most preferred soft drink in Austria (Spectra , 2012).

The high degree of awareness can be deduced from the high percentage of positive perception of the advertisements, which ranks at 90% as well as the high rate of advertising memorability at 78% among consumers.

This indicates that the communication activities are among the key competences of the company and have been proven to be successful.

The famous slogan as well as the humorous storyboards of the television spots and print media are seen as rather unconventional and therefore stick out from all the other ads.

First of all, the famous yodel-like shout of the brand name is now one of the signature traits of the brand. In fact it has been so successful, that one can download it as a ring tone.

The second item, that is inherent in every single piece of communication of the brand is the slogan in Austrian dialect “Wenn die kan Almdudler hab’n, geh I wieder ham” (If they don’t offer any Almdudler, I’ll go back home!).

Clearly, both items are based on Austria and trigger patriotic feelings. The first one due to the musical, traditional Austrian “yodling” of the brand name, and the slogan illustrates the fact that many Austrians perceive their homecountry as the best place to be.

#### **9.2.4. Distribution and Points of Purchase**

Almdudler was one of the first companies in Austria to follow a modern licensing strategy. Erwin Klein was able to reunite the local soda- and mineral water producing factories that wear spread out throughout the country. Under strict quality control overseen by the Almdudler headquarter they were to produce the drink and distribute it locally. This business model allowed a nation wide and dense distribution that could not be matched by any other competitor at this time (Loudon, 2008). Starting from its foundation onwards, the drink was available both through supermarkets and grocery stores as well as for catering trade.

The key ambition of Erwin Klein was to give Austria a national drink, a soda that should symbolize or “taste” like the Austrian lifestyle, it was of importance to increase the visibility and availability throughout the nation. Especially in those regions, that should directly reflect the image of the brand and create associations such as in the Alps, in skiing and hiking destinations. Therefore the company assured deliverability and availability also of small amounts in any remote places.

#### **9.2.5. Country Symbols and representatives**

The strong bond between Austria and Almdudler can already been derived from the brand name and the slogan. However, further investigation needs to be conducted in order to gain a cohesive picture of what parts of country symbols are relevant for Almdudler as a brand.

The brand itself positions itself as a modern interpretation of Austrian traditions, values and symbols. This already seems a contradiction in itself and this is what the brand wants to communicate. There is tradition, conservative values such as stability, family, continuity and on the other hand there is the fun and humorous side, with a lot of self-irony, never taking the world too serious. All of these elements are part of the communication, between old and new, tradition and modernity. This balance is what makes the brand stand apart and exciting and in revers should also paint a more light-hearted picture of Austria.

It has already been said that the language of communication is strongly influenced by the use

of dialect. Within the country of Austria, it can be understood easily by everyone and does not imply any social class status, but it is rather a regional, alpine way of pronunciation.

As far as the neighboring countries are concerned, the Bavarian part of Germany can relate and understand this kind of dialect, but the rest of Germany the communication needs to be slightly adapted in order to be understood.

It has to be said that as a rule advertising in Austria is presented in standard language and only recently some companies revert to using dialect in their campaigns. This is a rather challenging issue, as when not handled with care can be perceived as artificial and forced. Almdudler was one of the first companies to manage this very well and even parts of their web-appearance is held in dialect, as for example the loading screen says “Es wird g’lodn, woat a bissl” (“Please wait, it’s in the process of loading”) (Figure 22).

As this picture shows, one of the first images already includes the national flag. In fact, Almdudler was one of the first companies to be allowed to use the national coat of arms on their packaging.

The user gets a glimpse of what Almdudler stands for immediately after entering the webpage (Figure 23). There is the prominent image of Marianne and Jakob in front of an alpine setting with a hut (“Alm”) in the background and the red umbrellas. Furthermore there is the Almdudler blackboard that has been distributed for many years to chalets owners, where they can indicate today’s menu with chalk (Figure 24).

To summarize the concept, the brand is linked to the image of Austria as an alpine, skiing and hiking destination, where nature is unpolluted, people are friendly and welcoming and time “moves slower”.

Starting with the ingredients of the product, so to speak the 32 naturally grown herbs coming from the alpine region, there is the connection and fit to Austria and the image stressed by the brand. It is seen as part of the brand philosophy to represent Austria and its image of high quality of life, panoramic scenery and nature and mountains, outdoor sports and an active lifestyle as well as laid back and relaxed way of living.

As far as within country considerations are concerned, the brand patriotically positioned itself as the “anti-cola”, whereas abroad, the brand is built on the perception of Austria as a warm and welcoming holiday and vacation destination. Meaning that consuming a bottle of Almdudler should remind you of the time you vacationed in Austria.

#### **9.2.6. Advertising Copies**

The basic storyboard for the advertising material does not alter in its core message. The



slogan “If they don’t offer any Almdudler, I’ll go back home!” features the story in every piece of above the line advertising. The most popular spot was already aired in the 1980ies, where a young man asks the bartender for “Almdudler” in a typical New York bar. The bartender looks confused and is not able to spell it correctly, the disappointed tourist leaves the bar repeating the famous slogan. As has been mentioned, the idea is that “home is where Almdudler is” or the “no place is as nice as home, no matter how far you travel”. Throughout the years the protagonists have altered also featuring Jakob and Marianne, the prototype of the happy couple getting out of their ever smiling and perfect characters and getting upset and annoyed when not being able to consume Almdudler.

One of the bigger campaigns that also included a TV flight was launched for the 50 year anniversary. The story is about a man who asks for Almdudler, but the moment the owner of the kiosk indicates that he has none, the man and several of his friends start walking backward. The crowd walking backwards is getting bigger and bigger, so that in the end a huge mob is leaving the city and going to countryside. The clip is accompanied by a classic German “kitsch” song saying that one should leave ones sorrows behind and “go back to the basics”. This is also the idea behind the clip, once again the key message is “if there is no Almdudler, it is not your home, it is not natural” (Almdudler TV 50).

<http://www.youtube.com/watch?v=8iyP3wGIzP0> (derived 10.6.2012)

The most recent production, tells three stories delivering on the same key message. One features a German tourist, another one a couple speaking with a very strong Austrian dialect and the third one two disguised men as animals. Humor, self-irony and a playful way of dealing with clichés are the prominent factors of the clips. Though even the company itself admits that they are “borderline or on the edge” and as humor is subjective, the clips risk not being perceived equally well by any target group. However, the important thing is that they create awareness in the advertising block due to the famous scream and in addition to that they will be memorized or at least create awareness as something different from other ads (Almdudler TV 2012).

<http://www.horizont.at/home/werbung/kreation/detail/almdudler-schrei-wieder-im-tv.html>

(derived 10.6.2012)

### 9.2.7. Print

Almdudler itself stresses the fact that one of the key challenges is to constantly work on the

brand. It is claimed to their most valuable asset. An important tool of differentiation as the values the brand stands date back to its foundation and the year long building among trust and credibility among generations are difficult to imitate by a new entrant.

Almdudler wants the brand to represent the Austrian lifestyle and culture. Humor and self-irony are considered to be a major part of it. Therefore Almdudler repeatedly launched billboard campaigns delivering very clear and simply funny messages. The following exhibit (Figure 25) depicts two English translations. The focus is on the prominent bottle, the slogan refers to the richness of the herbs with a direct reference that they are coming from Austria and the second one plays on the fact that men are said to have no feelings. Both of them reflect the brand values: funny, with a wink and a smile, not taking the world too serious.

### 9.3. Almdudler and Austria

As has been mentioned Almdudler does perceive itself as a representative and does not only want to gain from Austria's favorable image, but wants to contribute to it itself.

In their set of values they stress that they preserve and stand up for traditional Austrian values, rituals and symbols. Especially through the new interpretation and modern way of living historic values, they are aiming at reviving the "Austrian Spirit".

First of all there is a strong sense of supporting Austria as a location for business. Secondly they collaborate with the Austrian Alpine Association (OEAV) in order to maintain and preserve the mountains. Almdudler also sponsors courses for snow-and avalanches trainings, as well as providing plastic bins for every mountain chalet and hut to keep the environment clean. For the 150<sup>th</sup> anniversary, Almdudler even launched a limited edition of the bottle with a famous mountain flower "edelweiss", which is also featured on the retro cans (Figure 26). This shows the strong bond and commitment of Almdudler. As a company they stress the fact that they want to preserve traditions and the Austrian heritage. They see it as their duty not only profiting as a brand from the positive images that represent Austria, but they do want to actively engage in building and reinforcing the picture of the "idyllic" mountain region of Austria.

### 9.4. Sports Sponsoring

The relevance for sports sponsorship occurred both out of personal interest of the founder Erwin Klein as well as the well-perceived fit of Austria and its national sport being skiing. As mentioned Almdudler was already represented during Olympic games taking place in the 1960ies and 70ies as well as regional sports events such as bike races and there like.

Today the focus is on supporting also newer and younger sports such as snowboarding events and freestyle competitions (Figure 27). Most importantly the sport supported should reflect the key values of the brand, like mountains, sports, fun and active lifestyle.

## 9.5. Trachtenpärdchen Ball

Austria and its long traditions as a “Waltzing” nation has been mentioned already. Just like Manner AG, also Almdudler take part in this tradition, if in a somehow different way.

The Almdudler ball called “Trachtenpärdchen Ball” as a reference to the couple Jakob and Marianne as the key visual of the brand. It takes place in September, so to speak off the normal ball season and is located at the town hall of Vienna. Every year there is a different motto, but the important premises is that everybody who attends needs to wear the national costume in any kind of version. The highlight of the ball is the election of the “Trachtenpärdchen”, meaning a couple that represent the “real-life” version of Jakob and Marianne, of course, they themselves also have to “live the alpine lifestyle”.

With this unconventional ball, invented by Thomas Klein, Almdudler seeks to modernize old Austrian traditions and customs by interpreting them in a modern way. The important thing for the brand is that the ball also conveys the corporate values such as tradition, humor, a certain degree of kitsch and nostalgic irony. As a teaser before the ball Thomas Klein himself shoots a short video that is telling a story behind the motto. The hype is also about Thomas Klein, as Mr. Almdudler himself, as the media is always curious as how he will interpret the traditional costume every year (Figure 28).

## 9.6. Other related tools indirectly communicating the Country of Origin

### 9.6.1. Merchandise

All the related material that the company offers to huts, mountain chalets, cabins and to Almdudler fans, is revolving around the themes mountaineering, skiing and hiking. The colors are held in the typical red, also referring to the color of the national flag.

For chalets the most prominent and noticeable items are the sunshades, the blackboards, the ashtrays, beer mats, glasses and the deckchairs (Figure 29). It can be said, that anybody who has ever been vacationing in the mountains in Austria has certainly seen one of these items. As they are so typical for this area, there is also a strong connection to Austria.

In addition to those items, one can also order special editions t-shirts with Jakob and

Marianne printed on them or a variation of the garments belonging to the national costume, such as a hat or a shirt.

### **9.6.2. Hüttenguide**

To strengthen the link between Almdudler and the chalets, Almdudler publishes every year a guide for hikers, bikers and skiers indicating all the huts within the borders of Austria. This is called the yearly “Hüttenguide”(Figure 26).

### **9.6.3. Almdudler Herb Garden**

In 2010 Almdudler participated in the creation of an herb garden in the park of the castle of Belvedere in Vienna. The aim was to involve the consumer, educate about the herbs and their preservation as well as creating awareness for the brand and underlining the natural ingredients of the drink (Horizont-Can, 2010).

### **9.6.4. Almdudler National Costume Hats**

In 2012 Almdudler decided to offer special merchandise to its fans. Just in time before the “Trachtenpärcchen Ball”, the company launched in collaboration with the hat manufacturer Larissa Weingärtner, a line of “loden” hats, that can be matched with any dirndl or lederhosen (Almdudler-Hut, 2012).

### **9.6.5. Almdudler National Costume design for Bottle**

Another special edition of the “form” bottle was launched in collaboration with three Austrian National Costume fashion companies in order to increase the popularity of the drink also on a regional level, so to speak within each of the federal states. The collaboration is used to create a “buzz” and there is only a limited edition available, that should also increase awareness due to scarcity (Almdudler-Special-Edition, 2012).

## **9.7. Resume: Interview with Thomas Klein (Former CEO, Company Owner and Board Member)**

After having gained insight into the main marketing communication tools used above- as well as below the line and relating them to the use of the country of origin effect, the next step of the case analysis was to conduct a semi structured the interview with Thomas Klein in order to clarify the underlying reasons for the use of the connection of Austria and the product more importantly what kind of connection they want to create in the consumers mind and the

benefits they intend to derive from this connection. Parts of the interview have already been included in some of the parts relating to the operational communication tools listed above, however, the strategic and analytical background will be provided in this section.

### **9.7.1. Stereotypes and Images**

Almdudler stresses the image of Austria as an Alpine and vacation destination. It connects the brand with the nostalgic almost postcard-like stereotype of the country, where “the world is still a safe place to be”. Especially after the Second World War it allowed the population to be proud about the nation again, and showed that Austrians are allowed to be patriotic, without any political idea behind it.

For years it has not been considered to be fashionable to wear the national costume or go on hiking trips with the whole family, but in recent times this kind of recollection of older values and traditions is gaining in popularity again. Almdudler with its sense for societal trends has fully participated and to a certain degree actively taken part in this trend by focusing on the positively perceived parts of the Austrian culture and incorporating them in the brand.

According to Thomas Klein these values include family, tradition, stability but always in connection with humor, a smile and irony.

Thomas Klein considers those to be the most positive personality traits of the Austrians that are also perceived very well outside the country.

He stresses the fact that this is one of the reasons why the brand is successful, because it plays exactly on those traits. The fact that the brand is close and relevant to the consumer is shown by the high rankings as far as the popularity and the “sympathy” and “affection” ratings are concerned. It works that well, as the brand reflects what the Austrians want to be perceived as, and therefore they accept the beverage as the drink of the nation.

### **9.7.2. Negative Aspects to consider**

Thomas Klein strongly believes that the link to Austria as positive and will continue to be leading the brand values. However, as outlined in the image section, it is the company’s task to find the appropriate links and images that should be highlighted, especially in the export markets.

### **9.7.3. Austria as Differentiator**

Especially at the point of introducing the brand it was of importance to position it as a patriotic drink to create trust, credibility and loyalty. The strong push of the global soda

producers such as Coka Cola urged the brand to position itself in a niche that cannot be matched by the international competitors. Patriotic feelings and emotional sense of belonging helped the beverage to gain market share.

However, the fact that the brand is so strongly rooted in the Austrian culture also has brings along further customer associations. The fact that ingredients are sourced in Austria as well as the commitment to producing locally stands for quality and allows the brand to position itself as a premium product. Therefor it can be said that also in the case of Almdudler the consumer perceives the fact that it is product from Austria as an indicator for quality and production with the highest technological standards.

Thomas Klein underlines that this implies great consumer trust and is therefore strongly committed to the claims the company makes. Transparency and living up to the values are part of being a trusted as a company, and Thomas Klein thinks that a company claiming to do something is also living it, that is one of the reasons why people do trust the quality of the products.

He himself is therefore not threatened by any company using the country of origin in a “fake” way, as credibility will be lost immediately. The country of origin designation needs to be correct, otherwise the consumer trust is lost.

Furthermore he elaborates that the fact that the product is made in Austria, is an indicator of quality, allows the brand to be positioned as premium in its category and also allows a price premium that is accepted by consumers.

#### **9.7.4. Export Origin Communication Strategy**

With such a strong emphasis on the country of origin, the brand risks being too patriotic or nationalistic for some export markets. As well as the challenge of translating the campaigns that are targeted at the consumers within the country. The selection of export markets is therefore crucial, as the idea behind the product is not relevant for all of them.

Currently the focus is on Germany, Switzerland and the Benelux country, where the dialect is assumed to be understood. Furthermore the selection of the countries is also based on the analysis where most of the tourists that vacation in Austria come from. Once they have tried the product in Austria, the taste of the beverage should remind them of the relaxed time they have spent here. The product should allow a “short escape from the daily stress”. Leveraging on this idea is of course only possible if the brand is that deeply embedded in the Austrian culture as Almdudler is.

For exporting the good it is also important to clarify the general image and perception of the

country, something that brands not specifically linked to a certain country do not have to consider. Timing and relevance are important to be determined.

In Germany, the analysis was leading to a positive outcome, where the image of Austria as well as the brand Almdudler are perceived in a favorable way. The aim here is also to sponsor events that are somehow linked to tradition and customs such as for example the “Almdudler Wiesn Afterparty” taking place in Munich after the opening of the Oktoberfest.

#### **9.7.5. The headquarter in Vienna Grinzing**

The interview took place at the headquarter of Almdudler in Vienna. The location deserves special attention as the architecture is eye-catching and unique (Figure 30). Just like the brand, it reflects a combination of tradition and patriotic nostalgia combined with modern architecture designed with the latest standards to guarantee ecologic and sustainable method of constructions.

The entrance is shaped in the form of the bottle, and when entering the building it resembles a modern-day mountain chalet built with wood. The meeting room is held in the design of a traditional skiing cabin, with a bar and all the famous Almdudler merchandise like the glasses, the deckchairs and the “wuzzler”, the Austrian term for table football.

The headquarter truly embraces the company values of contradiction with his chalet-charms in the middle of Vienna, but built with the latest standards.

#### **9.7.6. The Company Culture and Values**

Continuity, preservation of high quality standards and stability are some of the items of the brand philosophy. In order to live up to these expectations on a day-to-day basis, the board has set up guidelines and values that are publicly displayed right at the entrance.

The first line declares that Almdudler is an Austrian family company with Almdudler as Austria’s national drink. The second paragraph describes that the brand is the key value of the company. The value lies in the fact that the brand enriches the product. It is not only a beverage, but embodies the Austrian lifestyle; always with a wink, light hearted, sometimes contradicting and always preserving traditions, but reinterpreting them so that they fit the modern lifestyle.

From these statements it is clear to see that the brand is deeply rooted and connected to Austria and even stresses the patriotic value of the brand.

#### **9.7.7. Management of the Country of Origin over the Product Life Cycle**

As has been elaborated in the theory section, the country of origin needs to be actively

managed and is of particular importance in the entry stage of the product. This theory can only be partly confirmed in the case of Almdudler. The first step was to gain a dense network of distribution, to increase awareness and availability. The second step was to find a credible fit and link between Austria and the product. The herbs were the initial source, and there needed to be images of Austria, that could fit the spirit of the brand and vice versa. Skiing and winter sports where the link to the herbs, as both is linked to the Alps. The concept was then broadened to involve the local catering and host of the chalets by providing them with promotion material.

However, once the link was created and manifested in the consumers' minds, it needs to be continuously adapted to fit the expectations.

This included the broadening of sponsorship activities to "younger" outdoors sports such as freestyle boarding or biking. Furthermore the invention of the "Trachtenpärenchenball" was crucial to engage also younger generations and to show that Almdudler is also a brand that can be linked to other Austrian traditions such as balls. However, it needs to be said that this is not a ball in the traditional sense, but rather a modern and humorous interpretation.

Thomas Klein also mentions that before the death of his father the brand was slowly getting the image of being old-fashioned and failed to communicate the link to its origin in an original way. Just as the tools of communication, the emphasis of what part of Austria needs to be stressed in the communication need to be altered and adapted with care.



<b>Stereotypes &amp; Images used</b>	sweet Vienna, Alpine Austria, sports vacation destination Austria
<b>Strategy</b>	communicate origin to indicate quality, high expertise and to increase brand equity
<b>Cue</b>	CO cue as an indicator for quality affecting directly and indirectly the overall product evaluation
<b>Quality Cue</b>	the CO serves as indicator for quality ingredients, high technological standards in the production process as well as fair relations with all stakeholders
<b>Positioning</b>	the origin cue as an indicator of quality allowing for premium positioning and differentiating in the market especially against foreign competitors
<b>Cue Processing</b>	both on cognitive as well as affective level strengthened by active 360° communication efforts involving the consumer not only at the point of purchase in the CO communication
<b>Brand Equity</b>	reached via leveraging on secondary brand associations and active management of the links created.
<b>Brand Origin</b>	the country of origin cue is embedded in the brand and a vital part of the brand heritage; credibility is key
<b>Market Entry Barrier</b>	from experience Austria has been well perceived as a country of origin and rather facilitated the entry into foreign markets than hampering it
<b>Country Image-Product Match</b>	given through reputation of Vienna being expert on sweets and due to the alpine ingredients in the beverage
<b>Consumer Nationalism</b>	built via "being proud of ones country" but interregional considerations are to be monitored
<b>Animosity</b>	from experience this concept has not been encountered by neither company, however in an international context both aim at adapting the communication strategy to fit the local needs and to avoid overly patriotic perception
<b>Familiarity with the country</b>	both companies follow the strategy of market expansion via targeting foreign tourists vacationing in Austria, also offering the product in their home country
<b>Low-Involvement Products</b>	both companies claim that the origin communication is an essential part of the branding even for their low-involvement products
<b>PLC</b>	active management and monitoring of the images held of the country and how they reflect on the brand; the images need to be adapted over time in order to make them relevant to the consumer; the origin communication is always stressed
<b>Company Culture &amp; Values</b>	tradition, Austrian Family Business, Austria as a high-quality production location,
<b>Strategy of Communication</b>	awareness, relevance, credibility and strong associations in the consumer mind are key in order to leverage on the positive bias of the CO
<b>Implementation of the CO Communication</b>	both companies emphasis tradition and modernity, humor and self-irony, strong values and quality control as Austrian traits
<b>Tools of Communication</b>	the CO should be present in all marketing efforts from distribution to advertising to event sponsoring
<b>Creative Communication of the CO</b>	flag, colors, country-specific events, sponsoring, dialect, testimonials, country landmarks, the national costume, music, active involvement in Austrian associations,..

Figure 9: Summary Table of Key Insights of Interviews

## 10. Concluding Analysis and Managerial Implications

Having analyzed both the secondary as well as the primary data with the aim to gain a cohesive picture of modern day country of origin communication strategies and tools applied from a company perspective, the concluding remarks are driven by the ambition to draw on general themes and issues of how to effectively communicate the origin.

Based on the theoretical background provided at the beginning of the research, the key issues will be pointed out with relevance to the cases. Leading on to general remarks and learnings that may also be of value to other companies, specifically referring to Austria as the country of origin.

The conducted research implies that the country-of-origin effect is a generally accepted concept that is of great relevance in marketing practice.

The key issue as, Roth and Diamantopoulos (2008) put forward, is to understand *why* there is a difference in perceptions among products deriving from different countries. This can be partly answered by investigating into how the two case companies intend the origin cue to affect the consumer in the decision making process.

### 10.1. Country of Origin as an Information Cue

The general assumption includes the notion that the country of origin acts as an extrinsic information cue (Cues → Attributes → Evaluation → Purchase Intention) that allows the consumer to make inferences about the product. It was confirmed by the qualitative data collected through the interviews by both companies that they communicate the country of origin with the intention to give the consumer an indicator that would signal first and foremost quality. Interestingly, both companies perceive Austria as the origin of quality for their products, even though they do not operate in the same sector.

#### **Austria Signal of Quality → Attributes → Price Premium → Purchase Intention**

The cue leads to evaluating also other product attributes to be judged in a favorable way and positions in both cases the brand as premium, which then again allows for a price premium.

In addition, the origin information cannot be viewed as extrinsic only, as other intrinsic elements such as taste (especially with the herbs in the drink in the case of Almdudler) and design may also communicate the origin to the consumer.

## 10.2. Country Images, Country Stereotypes & their Implications

Even though both companies apply Austria as the country of origin, they work with rather different stereotypes and images of the country.

Manner historically positioned itself as Viennese. This should reflect the reputation Vienna gained for itself as a culinary destination of expertise and great tradition in the sweets and confectionary sector, which in turn perfectly fits the product. This idea is related to the theoretical concepts of country-product-category expertise and product-country match (Ahmed, d'Astous, & El Adraoui, 1994; Roth & Romeo, 1992; Niss, 1996).

It is important to bear in mind that the company needs to actively encourage and communicate this link in their communication efforts (via key visuals or related sponsoring activities and merchandise), so that the consumer is aware and the brand can leverage on favorable secondary brand associations.

Almdudler works with the image of Austria as an Alpine and tourist destination. It incorporates the idyllic scenery in its image and places the focus on Austria “a place where the world is still alright”. Starting from the introduction of the brand onwards, skiing, biking and hiking in a natural environment were always part of the communication. However to position the product as younger, also Almdudler had to update and work on the image portrayed in order to make it relevant also for younger generations. The management of the communication therefor intended to show Austria also as a freestyle and “wild” sports destination.

Both companies want to position themselves between tradition and modernity, both of them perceive humor and irony and family values as traits that are particularly Austrian and work very well especially for the inter-country communication. The elements used are landmarks, scenery, music, dialect, the national costume, colors of the flag and traditional events such as the balls. But as part of the 360-degree communication strategy followed by the companies, active consumer involvement and the use of social media are intended to make the brand-lifestyle that is practically built on Austria, more “tangible” to the consumer.

A key learning of the use of stereotypes and country images from the cases is that the company needs to filter and detect what it wants the product or brand to stand for and what kind of images from the country of origin could reflect those intended values. It needs to find the appropriate language and tools, and analyze the existing knowledge of the target group to create a relevant and clear link. Manner AG works with “Vienna, the capital of sweets” whereas Almdudler links “Alpine Austria” to its ingredients, the natural herbs.

The reader however needs to bear in mind that both companies mainly focus on the national market and have not yet reached a very high level of internationalization. So far they have mainly targeted neighboring countries and countries from where a lot of people vacation in Austria. In those markets the perception of this image stressed by the brands is appreciated and well perceived which confirm the notion that positive previous experience and familiarity with the country contributes to a positively biased country-of-origin-effect (Johansson, Douglas, & Nonaka, 1985).

Nonetheless in countries that are further away this message might be too patriotic or the links to Austria might be too weak in order to leverage on those secondary brand associations. Furthermore considerations such as consumer animosity (Klein, Ettenson & Morris, 1998) need to be respected when entering new foreign markets, especially with relevance to Austria’s history and role during the Second World War.

It is also important to be aware of the fact that images and stereotypes of a country change over time or might not be that present or relevant for certain destinations throughout the world, where Austria is not that explicitly known, as it is a small country.

### **10.3. The Brand Origin and source of Brand Equity**

Josef Manner & Comp AG as well as A. & S. Klein GmbH & Co KG consider the country of origin as a crucial and determining part of their brand. Austria is used as an important intangible asset that intends to stand for quality, assists at the premium positioning and intends to create recognition as well as strong, favorable and unique associations that cannot be easily imitated by competitors. Furthermore it is used as a differentiator from global competitors.

The case analysis conducted has revealed a rather interesting development of the perception by the companies of the country of origin information interferences made by the target

customers. Both companies explicitly state that the country of origin is not a mere cognitive indicator of quality but delivers on a more complex level, so to speak the affective and normative aspects of the country of origin information cue.

The origin cannot be considered to be one single independent cue but is incorporated historically in the brands and therefore a crucial part of the image and the brand equity. Both companies have strongly emphasized the origin from the launch of the product onwards, it can be said that Austria is part of their “brand DNA”. The companies built the brands to a large extent on that heritage. At first it was an indicator of quality of ingredients, production methods and expertise in the category.

However, these days consumers also perceive it as an indicator of fair treatment of employees, fair remuneration, a commitment to the production location Austria and other related elements that reflect western standards of production.

According to both companies, credibility, transparency and trust are the key elements on how to build a successful country of origin communication strategy.

The interview partners stressed, that even if the brand origin concept (Thakor & Kohli, 1996) implies that the “branded origin” is not the same as the “real” origin, it is of advantage if the two coincide in order to build consumer trust and loyalty to the brand.

Both have also made extensive efforts to make this link relevant and tangible to the customers. They work with the “emotionalisation” of the brand by linking it to vacation in Austria, the sweet Vienna and a humorous and ironic way of living.

The origin is therefore not a one-dimensional cognitive indicator, but revolves around the idea of creating a certain lifestyle reflected in the brand. Austria is not merely as a secondary brand association, but is an incorporated part of the brand, reflecting the idea of considering the “Contextualized Product-Place-Image” (CPPI) (Askegaard & Ger, 1998) and the *cognitive*, *affective*, and *normative* dimensions of the country of origin information cue (Obermiller & Spangenberg, 1989).

Starting from the distribution, to events, merchandise and sponsorships onwards, both companies make a clear reference to Austria in almost all these activities.

The key element of managing such an important link is to monitor the perception of the country of origin over time, nationally as well as internationally and communicate those

elements that are of relevance for the product.

That is the reason why in recent times both companies have engaged heavily in consumer involvement especially via social media. The aim is to take the brand elements and incorporate them into the consumer's life. After all, both brands shift away from being a mere product brand, to conveying a certain lifestyle.

In both cases Austria is a determining part of the brand. Analyzing the fan activity on Facebook starting from the creation of the fan page onwards, it is interesting to see how far the interconnectedness of Austria and the brand has gone in the consumer's mind.

As concerns Almdudler, the community mainly posts pictures of Alpine scenery in summer and in winter settings, and events, where the national costume is worn.

For Manner, the fans heavily engage in posting pictures of the landmarks of Vienna that are also present in the ads as well as photos featuring the prominent ski adverts and helmets.

This review is indicated to show how far the connection has been absorbed into the brand values and that even though the companies are producing different products, operating in different markets and using different images and stereotypes of the country of origin, both are perceived very well, act as an differentiator and strengthen the positioning, thereby enhancing the brand equity (Keller, 2003a).

#### **10.4. The Management of the Origin Information Cue over the PLC**

The active management and monitoring of what the country of origin stands for is crucial for the brand, as evidenced by both cases. Literature argues (Johansson & Nebenzahl, 1986) that the origin stipulation is primarily important at the entry stage. However both companies actively engage in updating and evaluating the current meaning of the country of origin both on a national as well as on the international level, they find a suitable fit between the country images stressed and conveyed by the communication and the product itself.

It was confirmed by the interviews that it is important to clearly encourage a fit between the product and the relevant country image.

## 10.5. Influencing Variables

As images and stereotypes are to a large extent subjective impressions of the consumer, the perception and evaluation of the country of origin cue, in this case Austria may vary depending on the target purchaser involved.

As both companies are primarily operating in their home and neighboring countries, the knowledge about the country is high. The growth strategy of both companies is strongly focused on expanding and entering into markets, where tourists, vacationing in Austria come from. As a consequence, both companies work with the ambition of entering markets where there is already a certain degree of awareness or recognition of the product, due to the fact that the consumer has been exposed to the product during his/her vacation.

Ideally the country of origin should then trigger positive associations with relevance to holidays and enjoyment, which in turn should create spillover effects on the product due to leveraging secondary brand associations.

Depending on the consumer and the previous knowledge and experience with the country both companies aim at creating positive bias applying the summary construct or the halo construct model (Han, 1989) as has been explained in the theoretical background section.

This leads to the concept of consumer patriotism (Baughn & Yaprak, 1993), which is more prevalent for some consumers, while others might not portray a strong affiliation towards the products that were produced in their own country.

Almdudler as well as Manner strongly work with the concept of consumer patriotism; An idea that needs to be handled with care, as was explained in both interviews. Both companies strive for incorporating values, tradition, family focus, quality and a commitment to the production location Austria and its employees as well as strengthening the economy.

Within the country this is generally very well accepted, even though there are some regional discrepancies in the case of Manner, where the other regions might not identify as strongly with the brand as it is positioned as “too” Viennese.

In Germany, one of the primary tourist sources for Austria, the patriotic communication is also appreciated, and market research conducted by Manner confirms, that Germans favor the fact that the product is produced in a highly-skilled labor economy with fair treatment of employees.

Consequently the concept of consumer patriotism is in the two cases relevant and perceived as positive, however, regional differences need to be considered, as well as the fact that both companies have not reached a high level of internationalization yet. There is the risk of the further away the export goes, the less support is found for patriotic ideas such as supporting the economy and fair employer relations.

A further assumption by research is that the origin cue is of particular importance and weight in comparison to other cues when one is dealing with a high involvement good, indicating a low purchasing frequency and higher perceived risk and higher financial investment.

This cannot be confirmed by the two cases, as they both heavily rely and trust in the use of the origin communication cue even though they both produce low-involvement products. It could be argued that particularly in recent years, with the increasing awareness and caution as far as chemically manipulated foods are concerned, transparency and correct signaling of the origin becomes increasingly important, especially in this sector, as was confirmed by Dr.Schrott.

Ahmed et al. (2004) support the idea that the origin cue is also relevant for low-involvement products, but that the brand becomes the dominant factor. With relevance to the two cases, it may be said, that the brand itself incorporates the origin information as Austria is a dominant and driving element for the Manner and Almdudler as branded products.

## **10.6. Future Market Entry Considerations**

A final remark should be given to new market entry strategies with relevance to the country-of-origin effect. It has already been mentioned that both companies have not reached a high level of internationalization yet, but do consider reaching it as part of their growth strategy.

Drawing back on the theory provided, some considerations on how to effectively manage Austria as a country of origin in other markets should be provided.

Niss (1996) argues that especially at the entry stage the origin information serves as a relevant point of reference and categorization of the product.

Consequently it has to be communicated with care, especially during this stage. In-depth market research on the country images and stereotypes held by the consumer in the foreign market is crucial in order to identify the appropriate messages incorporated in the brand.

As particularly product novices make extensive use of the origin cue (Maheswaran, 1994), Austria as a point of reference should be analyzed in terms convincingness for new target customers abroad. Especially under the circumstance of low motivation of information



gathering (Brett, Lee & Lacey, 2011), which could be the case with groceries, this is important to consider.

The level of consumer animosity (Klein, Ettenson & Morris, 1998) but also xenophilia (Batra, Ramaswamy, Alden, Steenkamp & Ramachander, 2000) needs to be identified.

Recent research reveals that particularly western products have the potential of being status or lifestyle brands (Ger, Belk & Lascu, 1993), it could be argued that with the recent trend in society for the “gourmet- and sophisticated foodie movement” this is also applicable to the food and beverage industry, where the case companies are operating in.

In conclusion it can be said that both cases that have been objects of analysis Josef Manner & Comp AG as well as A. & S. Klein GmbH & Co KG illustrate two rather different ways of using and communicating the country of origin through their marketing activities. Starting from the fact that they are operating in different product categories, the corporations apply two different images of Austria, adapting them to fit their brand. Both companies exemplify how one country can serve as a basis of differentiation for different product segments as well as for varying target groups. Without a doubt the use and application of the country-of-origin effect in modern day marketing can serve as a source of competitive advantage and enhance clear positioning and create brand equity. However, the cases also indicate that the tools and strategies of implementation used, need to be handled with care in order to serve as a credible and sustained point of difference. In sum it can be said that time and effort needs to be dedicated in order to build and reinforce the position of the brand with a positively biased country of origin claim that is considered to be part of the brand.

## 10.7. Concluding Considerations on how to operationalize the Country of Origin Information Communication

1. An analysis of the existing knowledge, the positive and negative images and stereotypes of the country of origin within the domestic as well as international markets.
2. Analysis of the country of origin as a tool of differentiation in the market.
3. Analysis of the country of origin as a potential indicator of the positioning in the market. Or as an information cue when entering a new market.
4. Those country images that have the potential to reflect positively on the brand are to be chosen.
5. Relevance and credibility of the origin claims are of crucial importance. Clarification of the potential support in the concerned product category needs to be determined. Is the country of origin considered to have an image of expertise and specialization for that product? Is there a product-country fit?
6. Determination of how this fit can be communicated to the consumer over time.
7. The creation of a fit between the product/brand and the country in the consumer mind is important to leverage on strong secondary brand associations.
8. Regional perceptions are to be considered.
9. Consumer patriotism is to be handled with care, especially when operating abroad.
10. The perception and development of the images and stereotypes are to be monitored.
11. Reinforcement of the positioning by adapting and updating the used country images on a regular basis.
12. The use of a 360° communication plan is advised, relating the available tools to the country of origin in order to make them relevant and tangible for the customer. (Include TV spots, use of language and dialects, testimonials, events, merchandise, key visuals and slogans)
13. Consumer involvement and engagement into the brand/country of origin lifestyle should be encouraged by making it tangible through social media and/or events.
14. Adaption of country of origin information to foreign markets is advisable.

## Bibliography

Aaker, D. (1991). *Managing brand equity: capitalizing on the value of a brand name*. New York: The Free Press.

Ahmed, S. A., d'Astous, A., & El Adraoui, M. (1994). Country-of-Origin Effects on Purchasing Managers' Product Perceptions. *Industrial Marketing Management*, 23, 323-332.

Ahmed, Z. U., Johnson, J. P., Yang, X., Fatt, C. K., Teng, H. S., & Boon, L. C. (2004). Does country of origin matter for low-involvement products? *International Marketing Review*, 21 (1), 102-120.

Almdudler. (2012). *almdudler.com*. Retrieved 9 20, 2012, from <https://www2.almdudler.com/>

Almdudler TV 2012. (n.d.). Retrieved 10 20, 2012, from <http://www.youtube.com/watch?v=8iyP3wGlzP0>

Almdudler TV 50. (n.d.). Retrieved 10 20, 2012, from <http://www.youtube.com/watch?v=8iyP3wGlzP0>

Almdudler-Hut. (2012, 9 7). Retrieved 10 1, 2012, from [https://www2.almdudler.com/#/at/news/latestnews/20120907\\_hut\\_ab\\_fuer\\_den\\_limierterten\\_almdudler\\_trachtenhut](https://www2.almdudler.com/#/at/news/latestnews/20120907_hut_ab_fuer_den_limierterten_almdudler_trachtenhut)

Almdudler-Limonade, & KG, A. &. (2012, 1). Press Kit. Vienna.

Almdudler-Special-Edition. (2012, 10 3). Retrieved 10 20, 2012, from [https://www2.almdudler.com/#/at/news/latestnews/20121003\\_formflasche\\_erstrahlt\\_in\\_trachtiger\\_sonderedition](https://www2.almdudler.com/#/at/news/latestnews/20121003_formflasche_erstrahlt_in_trachtiger_sonderedition)

Alphonsus GmbH. (2012). *Bonbonball*. Retrieved 9 16, 2012, from <http://www.bonbonball.at/index.php/de/tradition>

Annual Report 2011, Josef Manner & Comp AG. (2012). Retrieved 7 12, 2012, from <http://www.manner.com/index.php?idp=126&lang=1>

Askegaard, S., & Ger, G. (1998). Product-country images: towards a contextualized approach. *European Advances in Consumer Research*, 3, 50-58.

ATmedia. (2009). Retrieved 9 13, 2012, from <http://www.atmedia.at/news/menschenmaerkte-marken/mega-marke-manner/30-03-2009/4927/>

Batra, R., Ramaswamy, V., Alden, D. L., Steenkamp, J.-B. E., & Ramachander, S. (2000). Effects of Brand Local and Nonlocal Origin on Consumer Attitudes in Developing Countries. *Journal of Consumer Psychology*, 9 (2), 83-95.

Baughn, C., & Yaprak, A. (1993). Mapping country-of-origin research: recent developments and emerging avenues. In N. Papadopoulos, & L. Heslop, *Product Country Images: Impact and Role in International Marketing* (pp. 89-115). New York, NY.

Bilkey, W. J., & Nes, E. (1982). Country-of-Origin Effects on Product Evaluations. *Journal of International Business Studies*, 8 (1), 89-99.

Biswas, K., Chowdhury, M., & Kabir, H. (2011). Effects of price and country of origin on consumer product quality perceptions: An empirical study in Bangladesh. *International Journal of Management*, 28 (3), 659-674.

Brett, M., Lee, M. S., & Lacey, C. (2011). Counter-acting negative country of origin effects using imagery processing. *Journal of Consumer Behaviour*, 10 (2), 80-92.

Brijs, K., Bloemer, J., & Kasper, H. (2011). Country-image discourse model: Unraveling meaning, structure, and function of country images. *Journal of Business Research*, 64, 1259-1269.

Chand, M., & Tung, R. (2011). Global competitiveness, consumer choice and 'country of origin' effect: an exploratory east-west study. *Asia Pacific Business Review*, 17 (3), 265-280.

Dinnie, K. (2003). Country-of-Origin 1965-2004: A Literature Review. *Journal of Customer Behaviour*, 1-44.

Dinnie, K. J. (2004). Country-of-origin 1965-2004: a literature review. *Journal of Customer Behaviour*, 3 (2), 165-213.

Djursaa, M., Kragh, S., & Holm Møller, J. (1991). Det Nationale Image i Eksportmarkedsføringen. *Ledelse & Erhvervsøkonomi*, 3.

Farquhar, P. H. (1989). Managing Brand Equity. *Marketing Research*, 1, 24-33.

Fiske, S., & Linville, P. (1980). What does the Schema Concept Buy Us? *Personality and Psychology Bulletin*, 6 (4), 543-557.

Gürhan-Canli, Z., & Maheswaran, D. (2000b). Cultural variations in country of origin effects. *Journal of Marketing Research* (37), 309-317.

Gürhan-Canli, Z., & Maheswaran, D. (2000a). Determinants of country-of-origin evaluations. *Journal of Consumer Research*, 27, 96-108.

Ger, G., Belk, R., & Lascu, D. (1993). The development of consumer desire in marketing and developing economies: the cases of Romania and Turkey. *Association for Consumer Research*, 20, 102-7.

Google Manner AG Keyword Search (2012). Retrieved 7 10, 2012, from <http://www.google.com/search?client=safari&rls=en&q=manner&ie=UTF-8&oe=UTF-8>

Guzmán, F. (2005). A Brand Building Literature Review. *The ICFAI Journal of Brand Management*, 2 (3), 30-48.

Hamzaoui-Essoussi, L., Merunka, D., & Bartikowski, B. (2011). Brand origin and country of manufacture influences on brand equity and the moderating role of brand typicality. *Journal of Business Research*, 64, 973-978.

Han, M. (1989). Country Image: Halo or Summary Construct? *Journal of Marketing Research*, 26 (2), 222-9.

Han, M. (1988a). The Effects of Cue Familiarity on Cue Utilization: The Case of Country of Origin. *Paper presented to the Conference of The Academy of International Business*. San Diego, CA.

Hooley, G., Shipley, D., & Krieger, N. (1988). A Method for Modelling Consumer Perceptions of Country of Origin. *International Marketing Review*, 6 (1), 67-76.

Horizont. (2011, 4 15). *Horizont, Bestseller*. Retrieved 10 2, 2012, from <http://www.horizont.at/home/detail/almdudler-als-patriot.html?cHash=507773c95fa44166e6370fad8a48d451>

Horizont-Can. (2010, 9 3). Retrieved 11 1, 2012, from <http://www.horizont.at/home/detail/almdudler-als-kraeuterhexe.html?cHash=12ef9d3b18524a91ac7421266e31930f>

IKEA.com. (n.d.). Retrieved 7 20, 2012, from <http://www.ikea.com/>

Jaffe, E., & Nebenzahl, I. (2001). *National Image and Competitive Advantage*. Copenhagen Business School Press.

Johansson, J. K., & Nebenzahl, I. (1986). Multinational Production: Effect on Brand Value. *Journal of International Business Studies*, 17 (3), 101-126.

Johansson, J., Douglas, S. P., & Nonaka, I. (1985). Assessing the Impact of Country of Origin on Product Evaluations: A New Methodological Perspective. *Journal of Marketing Research*, XXII, 388-96.

Jong Woo, J., & Chang Won, C. (2007). Effects of country of origin and country brand attitude on nonprescription drugs. *Journal of Targeting, Measurement and Analysis for Marketing*, 15 (4), 234-243.

Josef Manner & Comp AG. (2012). Retrieved 7 10, 2012, from <http://www.manner.com/index.php?idp=138&lang=1>

Kühschelm, O. (2005). Manner: Die Schnitte der Patrioten. In E. Brix, E. Bruckmüller, & H. Stekl, *Memoria Austriae III – Unternehmer, Firmen, Produkte* (pp. 97-130). Vienna: Verlag für Geschichte und Politik.

Keller, K. (1993). Conceptualizing, Measuring and Managing Customer-Based Brand Equity. *Journal of Marketing*, 57 (1), 1-22.

- Keller, K. L. (2003a). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Keller, K. L. (2008). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Keller, L. K., & Moorthi, Y. (2003). Branding in developing markets. *Bus Horiz* , 46 (3), 49-59.
- Ken, C., & Yang, S. (2011). Effects of country-of-origin on buying behaviour: A study of the attitudes of United States consumers to chinese-brand auto-mobiles. *International Journal of Management* , 28 (2), 553-563.
- Klein, J., Ettenson, R., & Morris, M. (1998). The Animosity Model of Foreign Product Purchase: An Empirical Test in the People's Republic of China". *Journal of Marketing* (62), 89-100.
- Klein, T. Interview (September 2012).
- Klein, T. (2010). *Zwischen Schein und Sein*. Wien: Prima Vista Verlag.
- Laroche, M., Papadopoulos, N., Heslop, L., & Murali, M. (2005). The Influence of Country Image Structure on Consumer Evaluations of Foreign Products. *International Marketing Review* , 22 (1), 96-115.
- Lassar, W., Mittal, B., & Sharma, A. (1995). Measuring Customer-Based Brand Equity. *Journal of Consumer Marketing* , 12 (4), 11-19.
- Li, W. K., & Monroe, K. B. (1992). The role of country-of-origin information on buyers' product evaluation: An in-depth interview approach. *Proceedings of the 1992 AMA Summer Educators' Conference*, (pp. 274-280).
- Li, W.-K., & Wyer, R. (1994). The Role of Country of Origin in Product Evaluations: Informational and Standard-of-Comparison Effects. *Journal of Consumer Psychology* , 3 (2), 187-212.
- Li, X., Yang, J., Wang, X., & Lei, D. (2012). The Impact of Country-of-Origin Image, Consumer Ethnocentrism and Animosity on Purchase Intention. *Journal of Software* , 2263-2268.
- Liefeld, J. (1993). Experiments on country-of-origin effects: review and meta-analysis. In N. Papadopoulos, & L. Heslop, *Product Country Images: Impact and Role in International Marketing*. New York, NY: International Business Press.
- Loudon, S. (2008). Almeli, Dudeli- Whar? *Bestseller, Horizont* .
- Maheswaran, D. (1994). Country of origin as a stereotype: Effects of consumer expertise and attribute strength on product evaluations. *Journal of Consumer Research* , 21, 354-365.

- Josef Manner & Comp AG. (2012). *Manner History*. Retrieved 7 10, 2012, from Manner.com: <http://www.manner.com/index.php?idp=137&lang=1>
- Manner Freunde, Manner AG. (2012). *Manner.com*. Retrieved 8 10, 2012, from <http://www.manner.com/index.php?idp=10>
- Manner TV Copies. (2012). Retrieved 9 8, 2012, from <http://www.manner.com/index.php?idp=47&lang=1>
- Manner TV Copy Kofler. (2012). Retrieved 9 3, 2012, from <http://www.manner.com/index.php?idp=640&lang=1>
- Mittal, B., Ratchford, B., & Prabhakar, P. (1990). Functional and expressive attributes as determinants of brand-attitude. *Research in Marketing* , 10, 135-155.
- Monroe, K., & Krishnan, R. (1985). The effect of price on subjective product evaluations. In J. Jacoby, & J. Olson, *Perceived Quality: How Consumers View Stores and Merchandise* (pp. 209-32). Boston, MA: Lexington Books.
- Niss, H. (1996). Country of origin marketing over the product life cycle: A Danish case study. *European Journal of Marketing* , 30 (3), 6-22.
- Obermiller, C., & Spangenberg, E. (1989). Exploring the effects of country-of-origin labels: An information processing framework. *Advances in Consumer Research* , 16, 454-459.
- Papadopoulos, N. (1993). What Product Country Images Are and Are Not. In N. Papadopoulos, & H. L. A. *Product-country image: Impact and role in international marketing* (pp. 3-38). New York: International Business Press.
- Papadopoulos, N., & Heslop, L. (1993). *Product and Country Images: Research and Strategy*. New York, NY: The Haworth Press.
- Papadopoulos, N., Heslop, L. A., & Bamossy, G. J. (1990). A Comparative Analysis of Domestic Versus Imported Products. *International Journal of Research in Marketing* , 7 (4).
- Papadopoulos, N., Heslop, L. A., & Bamossy, G. J. (1989). International Competitiveness of American and Japanese Products. In N. Papadopoulos, *Dimensions of International Business*, 2. Ottawa, Canada: International Business Study Group, Carleton University.
- Peter, J., & Olson, J. (1993). *Consumer Behavior and Marketing Strategy* (Vol. 3rd Ed). Irwin: Homewood.
- Peterson, R. A., & Jolibert, A. J. (1995). A meta-analysis of country-of-origin effects. *Journal of International Business Studies* (26), 883-900.
- Roth, K., & Diamantopoulos, A. (2008). Advancing the Country Image Construct. *Journal of Business Research* .

- Roth, K., & Diamantopoulos, A. (2008). Advancing the Country Image Construct. *Journal of Business Research* , 1-15.
- Roth, M. S., & Romeo, J. B. (1992). Matching product category and country image perceptions: A framework for managing country-of-origin effects. *Journal of International Business Studies* , 23, 477-497.
- Schooler, R. D. (1965). Product Bias in the Central American Common Market. *Journal of Marketing Research* , 2, 394-397.
- Schooler, R., & Wildt, A. (1968). Elasticity of Product Bias. *Journal of Marketing Research* , 5, 78-81.
- Schrott, A . Interview (September 2012).
- Schweiger, G., & Schrattenecker, G. (2005). *Werbung*. Stuttgart: Lucius & Lucius Verlagsgesellschaft.
- Shimp, T., & Sharma, S. (1987). Consumer Ethnocentrism: Construction and Validation of the CETSCALE. *Journal of Marketing Research* , XXIV, 280-289.
- Snaiderbaur, S. (2009). "Made in Italy" in China: From country of origin to country concept branding. *IUP Journal of Brand Management* , 6, 63-74.
- Spectra . (2012). <http://www4.spectra.at/cms/maerkte1.html>. Retrieved 10 9, 2012
- Steenkamp, J. B. (1989). *Product quality*. Assen , NL: Van Gorcum.
- Thakor, M., & Kohli, C. (1996). Brand origin: conceptualization and review. *ournal of Consumer Marketing* , 13 (3), 27-42.
- Usinier, J. (1993). *International Marketing. A Cultural Approach*. Englewood Cliffs, NJ: Prentice-Hall.
- Verlegh, P. W., Steenkamp, J. E., & Meulenberg, M. T. (2005). Country-of-origin effects in consumer processing of advertising claims. *International Journal of Research in Marketing* , 22, 127-139.
- Verlegh, P., & Steenkamp, J. (1999). A review and meta-analysis of country-of-origin research. *Journal of Economic Psychology* , 20, 521-46.
- Wall, M., & Heslop, L. A. (1986). Consumer Attitudes toward Canadian-made versus Imported Products. *Journal of the Academy of Marketing Science* , 14 (2), 27-36.
- Yaprak, A. (1987). The Country of Origin Paradigm in Cross-national Consumer Behaviour: The State of the Art. *Third World Marketing Congress*. Barcelona: Academy of Marketing Science, International Conference Series.



Yaprak, A., & Parameswaran, R. (1986). Strategy Formulation in Multinational Marketing: A Deductive, Paradigm-Integrating Approach. *Advances in International Marketing*, 1, 21-45.

Adverts Online Links (in order of appearance)

<http://www.manner.com/en/index.php?idp=47&lang=1> (derived 10.6.2012)

<http://www.youtube.com/watch?v=Ize55S5PkYU&feature=relmfu> (derived 4.6.2012)

<http://www.youtube.com/watch?v=dCII0uHWRGE> (derived 4.6.2012)

<http://www.youtube.com/watch?v=8iyP3wGIzPO> (derived 10.6.2012)

<http://www.horizont.at/home/werbung/kreation/detail/almdudler-schrei-wieder-im-tv.html>

(derived 10.6.2012)

## 11. Appendix

### 11.1. Question Guide for the semi structured Interview (English Translation)

---

Introduction to the interview clarifying the purpose and topic, explaining the reasons why the company has been chosen to be analyzed as a case.

#### 1. Set: Introduction to the Marketing Strategy

- Could you briefly resume the key elements of the brand history?
- Could you please describe the general marketing communication strategy followed by the company for the brand?
- What are the key messages used in your communication?
- Through what tools of communication do you convey these images?

#### 2. Set: Country of Origin specific Questions

- Since when do you communicate the link to Austria?
- Could you describe the intention why you use the link?
- How do you communicate the country relation to the product?
- What stereotypes and images of Austria do you want to incorporate in the brand image?
- What particular part/image would you want to represent?
- How do you communicate Austria?
- Are you referring to the whole country or only region?
- Why is the country-product/brand connection considered to be important for your brand?
- Describe the desired evoked emotions?
- Do you use the same strategy in each country? Nationally as well as internationally?
- How important would you rate the country information cue in the consumers mind, next to price, brand.
- Do you change the strategy according to the level of entry in a particular country?
- Why does it make sense to communicate Austria in Austria (regional)?
- Under what circumstances would you consider abandoning the link?

- Why Austria / particular region?
  - At what stage of the purchasing decision does your consumer consider the origin?
  - Why does the product deserve the certification “Made in Austria” (Was it designed, produced, developed there or is it a hybrid product?)
  - Should there be stricter rules, according to which not just anybody could use the term “made in...”?
3. Set: Negative Effects and Challenges
- Does it evoke any unintended connotations?
  - Do you have experience with any negative effects? If yes, how can those be mitigated?
  - Does the link risk positioning the brand as “too patriotic”?
  - Do you change/adapt the “Austria link” over time? If yes how?
  - As conquering new markets is part of your growth strategy, could you elaborate on the future communication strategy used abroad? Do you think you will have to adapt the images of Austria used in order to deliver the key messages with relevance for the foreign target group?
4. Set: Communication tools used
- Do you select sponsoring activities and events with relevance to the country of origin?
  - Could you elaborate on the TV and radio advertising campaigns?
  - In what (other) ways do you communicate Austria?
5. Set: The underlying reasons, Country of origin and Brand Equity
- From a strategic perspective, why do you stress the origin?
  - Does it act as an important point of differentiation?
  - Does it help in the positioning?
  - Is there a competitive advantage? If so how?
  - Is consumer patriotism still a useful and relevant tool against global competitors?
  - Who is the target group? And is the origin designation relevant for this target group?

- What does the consumer portray when consuming this product? Is there a certain lifestyle?
- Does Austria fit with the product/brand category? If so how?
- Does the origin allow for a price premium? (Act as an indicator of Quality, Does it create Awareness and Attention?)
- Do you work with the concept of Austria vacationers/tourists, who are already familiar with the product and start exporting in those markets?

## 11.2. Images and Adverts



Figure 10: Product throughout the years (see Manner Press Kit)



Calendar page from 1915. Trademark St. Stephen's Cathedral

Figure 11: Stephansdom as Key Visual (see Kühschelm 2005)

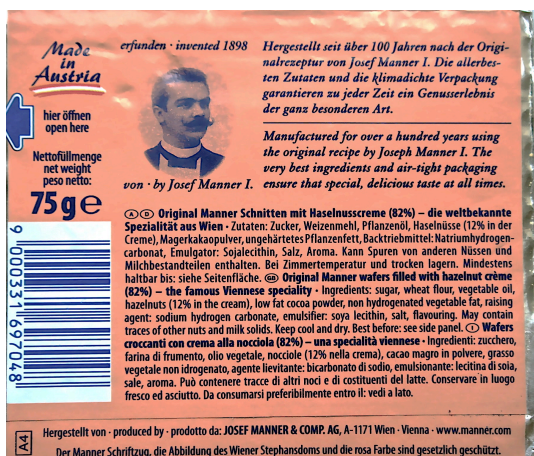


Figure 12: Packshot Back

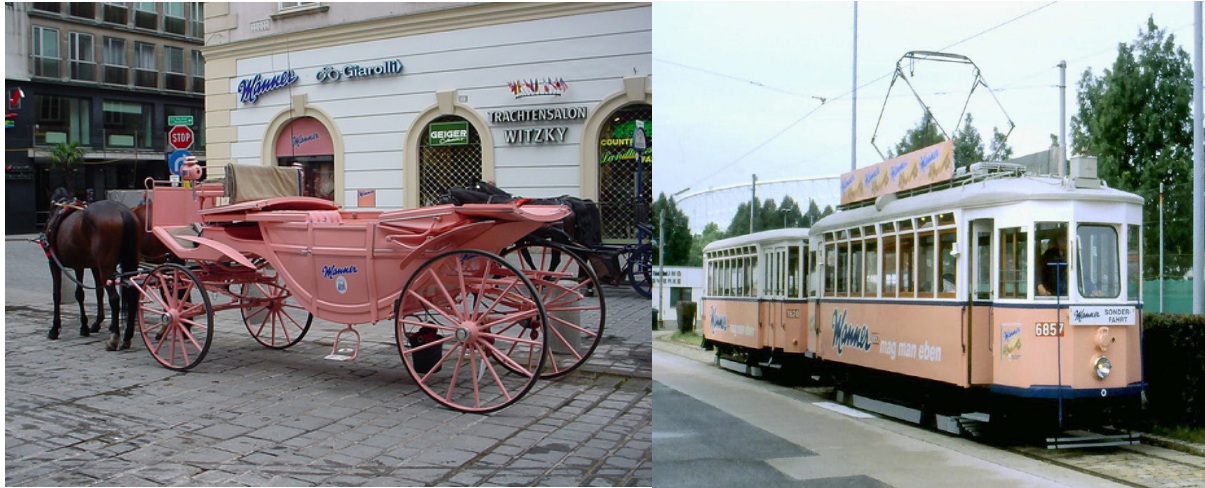


Figure 13: Manner Fiaker and Manner Tram (Manner.com)



Figure 14: Manner Advertisements (see Manner.com)



Figure 15: Manner Briefmarke and Box (see Manner.com)



Figure 16: Manner Sport Sponsoring (Manner.com)



Figure 17: Miss Bonbon (see Manner Press releases)



  
**Verleihung des österreichischen Staatswappens**  
 26 July 1971

Am 26.07.1971 erhielt die Firma A. & S. Klein das selten verliehene Recht, das österreichische Staatswappen im geschäftlichen Verkehr zu verwenden.



Figure 18: Coat of Arms (Almdudler FB page)



Figure 19: Almdudler “Form” Bottle and the complete product line (Almdudler.com)





Figure 20: The Trachtenpärchen through the years (Almdudler Presskit 2012)



Figure 21: Almdudler Can (Almdudler.com)



Figure 22: Loading Screenshot (Almdudler.com)



Figure 23: Screenshot Almdudler webpage (Almdudler.com)



Figure 24: Traditional Chalkboard for Chalets (Almdudler.com)



Figure 25: Print Campaign English (Almdudler Presskit)

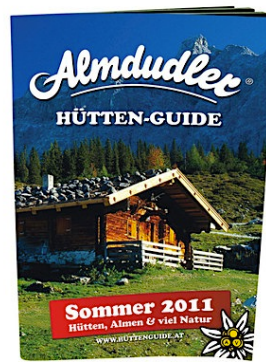


Figure 26: The “Form” Bottle Special Alpine Edition and the “Hütten Guide”(Almdudler.com)



Figure 27: Almdudler Sport sponsoring (Almdudler FB page)

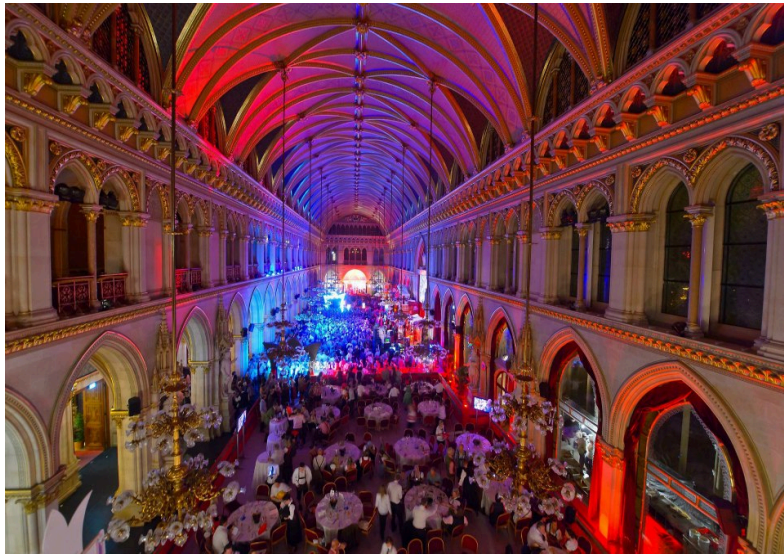


Figure 28: Trachtenpärchenball (Almdudler FB page)

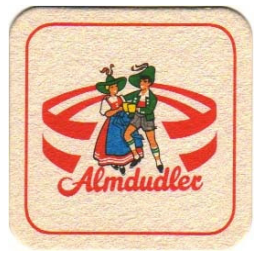


Figure 29: Examples of Almdudler Merchandising (Almdudler.com)



Figure 30: Almdudler Headquarter Vienna (Almdudler.com)





