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Apparel Products from a Country Not Known for Apparel:  
The Halo Effects of Country Image and Well-known Product Category

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Keywords: Country image, halo, product category, apparel

Rationale & Research Purpose: Country image refers to the comprehensive beliefs toward a country's economics, people and products, encompassing the country-of-origin concept that only talks about "products" from the country (e.g., Han, 1989). One of the theories that explain the role of country image is halo effect. Halo effect is a cognitive bias in which an overall impression influences on evaluating specifics (Thorndike, 1920). According to the literature, country image has a halo effect on products; *consumers tend to evaluate specific products from a country based on their overall images toward the country* (Han, 1989). Halo effect also assumes that people evaluate unknown traits of an object based on what they know about the object, as a stereotype (Thorndike, 1920). As such, researchers suggested that consumers can evaluate a new/less-known product category from a country that is not famous for the product category (e.g., Swiss foods) based on the well-known product category from the same country (e.g., Swiss watches) (Agarwal & Sikri, 1996), by categorizing different products under the same country.

However, research on country image reveals some critical gaps. First, although apparel is a highly image-oriented product that may be strongly related to country images, a lack of research focused on apparel. Second, most extant research only focused on well-known product categories of a country such as German cars and Japanese electronics, although it is suggested that the halo effect of country image can be greater when the products are not very known to consumers (e.g., Korean apparel) because consumers have less product information other than the origin country (Han, 1989). Third, very few empirical studies examined if consumers evaluate a less-known product category based on the well-known product category from the same country. Closing these gaps, the purpose of this study is to examine the two levels of halo effect (i.e., country image as halo, and a well-known product category as halo) in the context of apparel products and their influence on purchase intention. A country that is less-known for apparel but is well-known for another product category will be selected for empirical testing.

Hypotheses: *Country Image as Halo.* According to the halo theory, consumers' assessment of products is based on their overall images toward the country (Han, 1989). For a well-known product category such as German cars, country image (i.e., Germany's image) can be easily transferred to the evaluation of the product category (i.e., any cars from Germany), thus serving as a halo ( $H_1$ ). While not tested yet, this study expects that halo effect will also apply to a less-known product category. In fact, the influence of country image as halo may be greater for a less-known product category because consumers have lack of product information other than the origin country they can refer in assessing products. Therefore, *country image positively influences a consumer's beliefs toward well-known ( $H_1$ ) and less-known ( $H_2$ ) product categories from the country.*

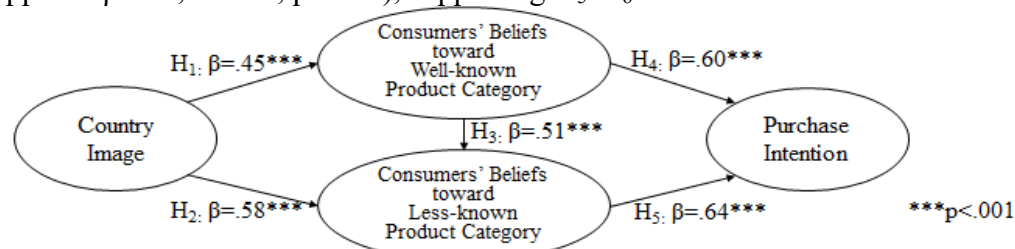
*Well-known Product Category as Halo.* Consumers can evaluate a country's less-known product category based on the well-known products from the same country, as halo effect states that people evaluate unknown traits of an object based on the known traits of the object (Agarwal & Sikri, 1996). For example, if a consumer has a positive image towards Germany and German cars, he/she may perceive German bicycles more favorably (Agarwal & Sikri, 1996). Thus, this

study proposes that:  $H_3$ . *A consumer's beliefs toward a well-known product category positively influence his/her beliefs toward a less-known product category from the same country.*

In addition, consumers' product beliefs affected by country image subsequently affect purchase intention (Han, 1989). Such relationship (country image-beliefs-purchase intention) could also be found for a less-known product category from a country as it did for well-known product categories in literature (e.g., Han, 1989). Thus, *a consumer's beliefs toward well-known ( $H_4$ ) and less-known ( $H_5$ ) product categories positively influence purchase intention.*

**Methods:** A total of 253 responses were collected via online survey from U.S. consumers. South Korea is selected for a country that is less-known for apparel products but is well-known in another product category (cell phones; e.g., Samsung Galaxy). The survey measured South Korea's country image, beliefs toward Korean cell phones and apparel, purchase intentions, and demographics using scales from literature. The final respondents were aged 17-67 (mean=22), mostly female (=87%). Reliabilities of measurements were acceptable (Cronbach  $\alpha$ =.91-.93).

**Results:** A series of regression analyses were conducted to test hypotheses. All five hypotheses were supported as shown in the figure below. Country image significantly increased consumers' beliefs toward both Korean cell phones (well-known product category;  $\beta$ =.45,  $t$ =7.6,  $p$ <.001) and Korean apparel (less-known product category;  $\beta$ =.58,  $t$ =10.7,  $p$ <.001), supporting  $H_1$ - $H_2$ . Consumers' beliefs of Korean cell phones positively influenced their beliefs toward Korean apparel ( $\beta$ =.51,  $t$ =9.1,  $p$ <.001), supporting  $H_3$ . Those beliefs toward both well-known and less-known product categories further increased purchase intentions (cell phones:  $\beta$ =.60,  $t$ =11.6,  $p$ <.001; apparel:  $\beta$ =.64,  $t$ =12.9,  $p$ <.001), supporting  $H_5$ - $H_6$ .



**Discussion & Implications:** Findings of this study confirmed the two levels of halo effect; country image as halo and a well-known product category of the country as halo. Particularly, a well-known product category as halo, especially within the context of apparel products, was not sufficiently tested in previous studies thereby adding empirical evidence to the literature. In addition, in the results, the impact of country image was found to be greater for the less-known product category than for the well-known ( $\beta$ =.58 vs.  $\beta$ =.45). This adds evidence to the assumption from literature (e.g., Han, 1996) and suggests a strong potential of studying country image in marketing a country's less-known product categories. The results also provide managerial implications. Findings of the two levels of halo effects suggest that manufacturers and marketers in countries not well-known for apparel, such as Korea, need to consider using a positive country image and the country's strength in another product category in marketing less-known products strategically as halo.

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