

Lehrstuhl für **innovatives** Markenmanagement (LiM[®])

■ ■ ■ **L i M - A R B E I T S P A P I E R E** ■ ■ ■

Herausgeber:

Univ.-Prof. Dr. Christoph Burmann

Universität Bremen

Fachbereich Wirtschaftswissenschaft

Arbeitspapier

Nr. 6

Jan-Hendrik Strenzke

The role of the origin in international brand management

Bremen, Dezember 2003

Impressum:

Stiftungslehrstuhl für ABWL,
insbesondere innovatives Markenmanagement (LiM®)
Prof. Dr. Christoph Burmann, Tel. +49 (0)421 / 218-7554

Universität Bremen, Fachbereich Wirtschaftswissenschaft
Hochschulring 4
28359 Bremen

www.lim.uni-bremen.de

ISSN: 1613-0936

Copyright 2003



ZUSAMMENFASSUNG

Jan-Hendrik Strenzke

The role of the origin in international brand management

Arbeitspapier Nr. 6

- Gegenstand:** Gegenstand der Untersuchung ist die Bedeutung von Herkunftsassoziationen für die internationale Markenführung.
- Art des Arbeitspapiers:** Dokumentation des State-of-the-Art der Forschung zur Markenherkunft in der internationalen Markenführung
- Methode:** Literaturgestützte Analyse, Expertenbefragung, Primärdatenerhebung, Fallstudie
- Ziele:**
- Identifikation der Bedeutung von Herkunftsassoziationen aus Verbraucher- sowie wissenschaftlicher Perspektive
 - Bestimmung der Konsequenzen einer Verbindung der Markenidentität mit der Markenherkunft aus beiden Perspektiven
- Zentrale Ergebnisse:**
- Anknüpfungspunkt für Herkunftsassoziationen ist die Konsumentenwahrnehmung, nicht der tatsächliche Herstellungsort.
 - Herkunftsassoziationen können ein zentraler Bestandteil eines prägnanten Markenbild sein.
 - Eine unterschiedlich starke Betonung der Herkunft in verschiedenen internationalen Märkten kann das Markenbild stärken.
- Zielgruppe:** Praktiker, Wissenschaftler und Studierende der Betriebswirtschaftslehre und insbesondere des Markenmanagements

Table of Contents

1. Introduction	1
1.1 Aims and objectives.....	1
1.2 Research design.....	1
1.3 Chapter overview.....	2
2. A brief introduction to international brand management	3
2.1 What is a brand?	3
2.2 Value creation and brand equity	5
2.3 The international dimension of brands.....	6
2.4 Chapter summary	8
3. The role of the origin in international marketing literature	8
3.1 The country of origin effect	8
3.2 The concept of brand origin.....	10
3.3 Further perspectives on the relationship between a brand and its origin	12
3.4 Chapter summary	13
4. Research design and execution	14
4.1 Consumer perceptions of brand origin.....	14
4.1.1 Survey sample and execution	14
4.1.2 Limitations of this survey	15
4.2 Expert opinions on brand origin	15
4.2.1 Survey sample and execution	15
4.2.2 Limitations of this survey	16
4.3 Irishness and Guinness in Germany.....	16
4.3.1 Survey sample and execution	16
4.3.2 Limitations of this survey	17
4.4 Chapter summary	17
5. Consumer perceptions of brand origins	18
5.1 Research findings	18
5.2 Deductions from this survey	21
5.3 Chapter summary	22

6. Expert opinions on brand origin	23
6.1 Research findings	23
6.1.1 Can a brand be free from origin associations?	23
6.1.2 Can brands benefit from being associated with origins that do not have a distinctive reputation concerning their respective product category?	25
6.1.3 Can multiple brands in one product category benefit from being associated with the same origin?	28
6.1.4 Can a brand be associated with different origins in different markets?	30
6.1.5 Does lack of consumer knowledge about the origin itself increase the effort needed to establish an origin-related brand image?	32
6.1.6 Does a strong association of the brand image with its origin increase the difficulties in repositioning the brand?	33
6.1.7 Does the attempt to associate a brand with a “false” origin increase the threat of attacks on the brand?	34
6.2 Chapter summary	36
7. Origin-linked brand images in practice	37
7.1 The Guinness case study	37
7.1.1 Overview of the organisation	37
7.1.2 Guinness’ return to its roots in Ireland and Great Britain	38
7.1.3 Bringing “Irishness” to the continent	40
7.1.4 Country spotlight: Irishness and Guinness in Germany	41
7.1.5 Guinness in the United States	45
7.1.6 Guinness in other parts of the world	46
7.2 Transferability of the deductions from the Guinness case	47
7.3 Chapter summary	48
8. Conceptualising the origin phenomenon	48
8.1 The relevance of the origin in international brand management	48
8.2 The implications of linking a brand to its origin	49
8.3 Chapter summary and closing statement	54
Appendix	55
References	68

List of figures

Figure 3.1.1: Product-country matches and mismatches	9
Figure 3.2.1: Brand image distinctions and use of origin cues	11
Figure 3.3.1: A network of images.....	13
Figure 5.1.1: Consumer assessment of Smirnoff's origin	19
Figure 5.1.2: Consumer assessment of Viennetta's origin	20
Figure 6.1.1.1: Expert opinion on freedom from origin associations.....	23
Figure 6.1.2.1: Expert opinion on reputation requirements.....	25
Figure 6.1.2.2: A dynamic approach to country image	27
Figure 6.1.3.1: Expert opinion on the shared use of an origin cue	28
Figure 6.1.3.2: Interpretations of German engineering.....	30
Figure 6.1.4.1: Expert opinion on dispersed brand images	31
Figure 6.1.5.1: Expert opinion on lack of consumer knowledge	32
Figure 6.1.6.1: Expert opinion on repositioning origin-linked brands.....	33
Figure 6.1.7.1: Expert opinion on the risks of adopting a "false" origin.....	35
Figure 7.1.4.1: Top ten associations with Ireland	42
Figure 7.1.4.2: Top ten Irish products and brands.....	43
Figure 7.1.4.3: Top ten associations with Guinness	44
Figure 8.2.1: The relationship between a brand and its origin.....	49

List of tables and background boxes

Background box 2.1.1: Levels of meaning of a brand	4
Table 2.3.1: Global versus local branding	7
Table 3.2.1: Comparison between brand origin and country of origin	10
Background box 7.2.2.1: Selected measures to rejuvenate Guinness	39
Background box 7.1.4.1: Kerrygold and its use of Ireland associations	44
Background box 7.1.5.1: Heineken in the United States	46
Table 8.2.1: Implications of brand-origin relationships	52

1 Introduction

1.1 Aims and objectives

Across different European countries, it can be observed that the same brands are often perceived differently by the consumers in the respective markets. This seems to be particularly true with regard to the assessment of the quality of the corresponding products based on the provenance of these brands. Therefore, an in-depth analysis of this particular phenomenon should yield valuable insights for brand managers and researchers alike.

This paper intends to provide an understanding of how origin associations affect the internationalisation of consumer brands with the ultimate goal of establishing a conceptual framework for the evaluation of the potential of incorporating the origin into an international brand image from which guidelines for strategic decision-making can be derived.

In order to achieve this goal, three major objectives have been defined:

- the critical review of the fundamental concepts and trends underlying international brand management with a special focus on the role of the origin,
- the assessment of public and academic opinions on this subject, and
- the determination of the implications of linking an international brand identity to the origin of the brand.

1.2 Research design

Extensive literature research was carried out, making full use of the library facilities at the Napier University of Edinburgh, supplemented by numerous books owned by the author. This was complemented by the review of a wide range of journals available through online databases and the respective homepages of various specialised magazines, as well as general internet research. This review revealed that on the whole, the role of the origin is still a fairly unmapped area in the field of international brand management. Consequently, research was carried out at three different levels, these being consumers and academic experts through primary research, and companies, in particular through the

analysis of a best practice organisation based on secondary research, yet supplemented by primary data as well. The overall focus of the research was on consumer brands, an analysis of the business-to-business environment was refrained from.

With regard to the scope of this paper and the necessary amount of research, no distinction was being made between different countries, regions or places as origins of brands. Even though it appears likely that places which receive frequent media coverage will more readily evoke associations than others, this is a definite area where further research would be required.

1.3 Chapter overview

This chapter has laid down the aims and objectives of this paper and it has briefly illustrated how these were achieved. The following chapter provides an overview of the fundamental concepts that underlie international brand management and the position of the origin in this context is identified. The third chapter then reviews the existing views and concepts on the role of the origin in international marketing literature. Against this theoretical background, three surveys have been developed and conducted. The methodology used for each of these surveys is outlined in chapter 4 and their respective limitations are identified. The subsequent chapter then examines the consumer perception of brand origins based on the results of the initial multinational study that was conducted. Chapter 6 discusses the findings of an in-depth survey on the role of the origin in international brand management completed among academic experts. The third part of the research carried out is constituted by the analysis of a best practice company that successfully uses origin associations in the framework of its international brand strategy. This company is discussed in chapter 7, incorporating secondary as well as primary data. The final chapter then integrates the findings from the previous chapters and presents a conceptualisation of the origin phenomenon.

2 A brief introduction to international brand management

2.1 What is a brand?

There are numerous different definitions of what constitutes a brand. Among the most widely recognised of these is the one proposed by the American Marketing Association (AMA) which defines a brand as “*a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competition*” (cited in SHIMP, 2000, p. 6). Other definitions of brands place more emphasis on the associations that these evoke, for example CLIFTON and MAUGHAN (2000, p. vii) declare that a brand is “*a mixture of tangible and intangible attributes, symbolised in a trademark, which, if properly managed, creates influence and generates value.*” Moreover, KOTLER (2003) states that brands represent lasting assets which can take on a range of different meanings (background box 2.1.1).

“A brand is a complex symbol that can convey up to six levels of meaning:

1. *Attributes*: A brand brings to mind certain attributes. Mercedes suggests expensive, well-built, well-engineered, durable, high-prestige automobiles.
2. *Benefits*: Attributes must be translated into functional and emotional benefits. The attribute ‘durable’ could translate into the functional benefit ‘I won’t have to buy another car for several years.’ The attribute ‘expensive’ translates into the emotional benefit ‘The car makes me feel important and admired.’
3. *Values*: The brand also says something about the producer’s values. Mercedes stands for high performance, safety, and prestige.
4. *Culture*: The brand may represent a certain culture. The Mercedes represents German culture: organised, efficient, high quality.
5. *Personality*: The brand can project a certain personality. Mercedes may suggest a no-nonsense boss (person), a reigning lion (animal), or an austere palace (object).

(continued on the next page)

6. *User*: The brand suggests the kind of consumer who buys or uses the product. We would expect to see a 55-year-old top executive behind the wheel of a Mercedes, not a 20-year-old secretary.”

Background box 2.1.1: Levels of meaning of a brand

(Source: KOTLER, 2003, pp. 418-419)

Obviously, continuity is a significant factor for a brand to be the lasting asset KOTLER (2003) identified. One of the most comprehensive definitions which integrates the ideas indicated above is provided by BURMANN (2003) who defines a brand as

“an object (product, service, institution, etc.) with added features (in the form of communication, customer service, packaging design, technical innovation, etc.) which ensure the differentiation of this object from other objects (products, services, institutions, etc.) that fulfill the same basic needs and which ensure that the object is offered in the marketplace in a consistent form over a prolonged period of time”.

This definition also constitutes the basis of the concept of identity-oriented brand management developed by MEFFERT and BURMANN as well as the latest concept of identity-based brand management developed by BURMANN¹ and it determines what is to be understood by the term “brand” in the framework of this paper. In the framework of this concept, an important distinction is being made between the brand identity and the brand image. The former can be defined as *“a closed and consistent entirety of brand features which continuously differentiate the brand from others”* (MEFFERT and BURMANN, 1996, p. 31) and thus determines the self-image of a brand. The latter represents an external perspective on the brand and can be defined as *“a firmly attached, condensed image of a reference object in the mind of relevant target groups”* according to BURMANN (2003).

One of the foremost instruments that can be used to assess a brand as a whole is the Brand Identity Prism developed by KAPFERER (1997) which integrates all

¹ A detailed discussion of this concept can be found in working paper no. 2 “Relevanz der Markenerkunft für die identitätsbasierte Markenführung” by BLINDA (2003).

facets of a brand. Appendix I provides an illustration of this tool which will be used in the framework of the case analysis presented in chapter 7.

2.2 Value creation and brand equity

ANHOLT (2003) points out that brands add intangible value to a product or service which allows companies to charge a premium price, yet they also offer a real or at least a perceived benefit for the consumer. BURMANN (2003) implies that a brand's value proposition is generally based on two different types of benefits, these being

- functional benefits – perceived qualities of the product/brand, and
- symbolic benefits – emotional, personal and self-expressive associations with the brand.²

Numerous authors have further determined a wide range of explicit benefits that brands offer to companies and consumers alike which will not be discussed in detail with regard to the scope of this paper. However, appendix II and III provide a list of the most important of these benefits. BOONE and KURTZ (2002) imply that the value brands add to the product offer in the marketplace constitutes a strategic asset which is generally referred to as brand equity.

Various authors have developed models to describe the concept of brand equity. For example, AAKER and JOACHIMSTHALER (2000) have identified four central constituents of brand equity:

- brand awareness,
- perceived quality,
- brand associations, and
- brand loyalty.

EAST (1997) emphasises that brand loyalty is an important asset as a brand loyal person will generally have a positive attitude towards the brand, prefer it to other brands in the same product category and is likely to be a regular customer over a prolonged period of time. While a number of authors argue that loyalty is not an element but rather a result of brand equity, all authors agree that the im-

² In conjunction with brand awareness and perceived brand attributes, these benefits constitute the brand image as defined in the previous section (Burmman, 2003).

age or the associations a brand evokes and brand awareness are key determinants of brand equity.

KELLER (2003) explains that brand equity can be created through the careful selection of brand elements such as the name, logo or slogan, the development brand-centred marketing activities and through the leverage of secondary associations. The latter signifies the creation of a link between the brand and another entity with the aim of benefiting from the associations this entity conveys. Examples for this include the usage of the corporate name as endorsement, sponsorship of sports or cultural events and the creation of a link to the origin of the brand.

2.3 The international dimension of brands

BRADLEY (2002) observes that the world-wide move towards free trade, integrated global communications, and international sourcing and manufacturing opportunities lead to an increasing globalisation and integration of markets. As a result, industries, companies and people no longer compete just on national grounds but also on an international level. USUNIER (2000) further implies that this increased competition is complemented by a general trend towards the global convergence of consumption patterns. Additionally, consumers in different markets take pleasure in having a blend of local and international products and brands to choose from (MACRAE, 1991). In view of these developments, it becomes obvious that brand management has to take an international perspective as well.

When companies expand their activities to encompass international markets, they will have to decide whether they want to create a standardised global brand or manage a portfolio of different, locally adapted brands. ELLWOOD (2002) argues that in case of a standardised product for different markets a global brand is likely to yield the higher benefit while in case of adapted products separate brand identities are generally more suitable. Yet, there are also a number of salient general arguments for each approach as can be seen in table 2.3.1 on the following page.

Global Brands Provide:	Local Brands Provide:
<ul style="list-style-type: none"> ➤ Scale Economies in the Development of Advertising, Packaging, Promotion etc. ➤ Exploitation of <ul style="list-style-type: none"> ▪ Media Overlap ▪ Exposure to Customers Who Travel ➤ Associations <ul style="list-style-type: none"> ▪ Of a Global Presence ▪ Of the “Home” Country 	<ul style="list-style-type: none"> ➤ Names, Symbols, and Associations That Can Be <ul style="list-style-type: none"> ▪ Developed Locally ▪ Tailored to Local Market[s] ▪ Selected without the Constraints of a Global Brand ➤ Reduced Risk from “Buy Local” Sentiments

Table 2.3.1: Global versus local branding

(Source: AAKER, 1991, p. 267)

DE MOOIJ (1998) points out that the product category also has a significant impact on the question of global standardisation as products which are less culture-bound, such as high-tech products or cosmetics, are generally easier to market internationally. Moreover, KAPFERER (1997) specifies that even within the framework of a globalised brand strategy, a number of implementation-related aspects will have to be locally adapted. Appendix IV provides statistical evidence for these claims. On a general level, GREGORY and WIECHMANN (2002) indicate a strong propensity towards global brands which results from five major market trends:

- a growing need for economies of scale as a result of high differentiation costs,
- the desire to capitalise on experience and knowledge transfer,
- the wish to benefit from rapidly spreading local brand images,
- a continuous strife for growth opportunities, and
- the ongoing internationalisation and consolidation of the retail trade.

USUNIER (2000) emphasises that in order to establish a truly global brand, it is inevitable to build brand equity over a prolonged period of time while advertising has to focus on consistent core themes. Furthermore, USUNIER (2000) observes that many of the prominent international brands derive a substantial part of their credibility from the national image of their origin. The salience of this argument

is underscored by SCHMITT and SIMONSEN (1997) who explain that the attitude consumers display towards foreign companies and brands depends on their knowledge about the origin of this organisation or brand and their general feelings about this place. Obviously, the origin has an important role in international brand management and consequently merits further examination.

2.4 Chapter summary

This chapter has introduced the notion of a brand and it has explained the major concepts underlying the international management of brands. Furthermore, the role of the origin has been highlighted which will be developed in more depth in the subsequent chapter.

3 The role of the origin in international marketing literature

3.1 The country of origin effect

A widely recognised phenomenon in international marketing is the so-called country of origin effect. CATEORA and GRAHAM (2002, p. 369) define this as *“any influence that the country of manufacture, assembly, or design has on a consumer’s positive or negative perception of a product.”* MÜHLBACHER, DAHRINGER and LEIHS (1999) affirm that for consumers who lack the experience with a certain product category or the willingness to consider more complex information, country of origin serves as an important indicator for the quality of a product, a notion which is underscored by numerous studies. For example, NEBENZAHL and JAFFE (1996) found that if household electronic products by Sony and GE were made in Eastern European countries, their perceived quality and their overall brand image would significantly decrease, converging with the image these countries enjoy as a general source of this type of products. Thus, it is important for companies to account for this phenomenon.

JAFFE and NEBENZAHL (2001) explain that typically effects stemming from the reputation of an origin are product specific, therefore country image and product features are two central dimensions determining the usability of country of origin cues in an international marketing strategy. ROTH and ROMEO (1995) have developed a matrix which illustrates how companies should manage country of

origin (COO) associations in the four basic cases of product-country matches and mismatches (figure 3.1.1).

		COUNTRY IMAGE DIMENSIONS	
		Positive	Negative
DIMENSIONS AS PRODUCT FEATURES	Important	<p>I Favourable match Examples:</p> <ul style="list-style-type: none"> • Japanese auto • German watch <p>Strategic implications:</p> <ul style="list-style-type: none"> • Brand name reflects COO • Packaging includes COO information • Promote brand's COO • Attractive potential manufacturing site 	<p>II Unfavourable match Examples:</p> <ul style="list-style-type: none"> • Hungarian auto • Mexican watch <p>Strategic implications:</p> <ul style="list-style-type: none"> • Emphasize benefits other than COO • Non-country branding • Joint-venture with favourable match partner • Communication campaign to enhance country image
	Not important	<p>III Favourable mismatch Example:</p> <ul style="list-style-type: none"> • Japanese beer <p>Strategic implications:</p> <ul style="list-style-type: none"> • Alter importance of product category image dimensions • Promote COO as secondary benefit if compensatory choice process 	<p>IV Unfavourable mismatch Example:</p> <ul style="list-style-type: none"> • Hungarian beer <p>Strategic implications:</p> <ul style="list-style-type: none"> • Ignore COO—such information not beneficial

Figure 3.1.1: Product-country matches and mismatches

(Source: ROTH & ROMEO, 1995, p. 177)

However, there are also a number of constraints on the general usability of country of origin as a marketing tool. POPE, CULLWICK and KENNELLY (1998) emphasise that consumers in different markets are likely to have a different perception of specific countries which may vary over time in reaction to political, social, economic, and environmental developments. Furthermore, KELLER (2003) indicates that an intricate country of origin link can be problematic if a company decides to move its production. Finally, AGRAWAL and KAMAKURA (1999) point out that the actual weight of the country of origin effect is likely to be smaller in reality than in theoretical surveys as consumers nowadays have access to a wide range of sources of information on the true quality of products.

On the whole, it can be concluded that notwithstanding the salient arguments for the country of origin effect, this concept is somewhat limited as it is primarily concerned with the consumer evaluation of products based on manufacturing locations. Thus, it does not account for the impact the origin may have on an international brand image, in particular with regard to the symbolic benefits identified by BURMANN (2003).

3.2 The concept of brand origin

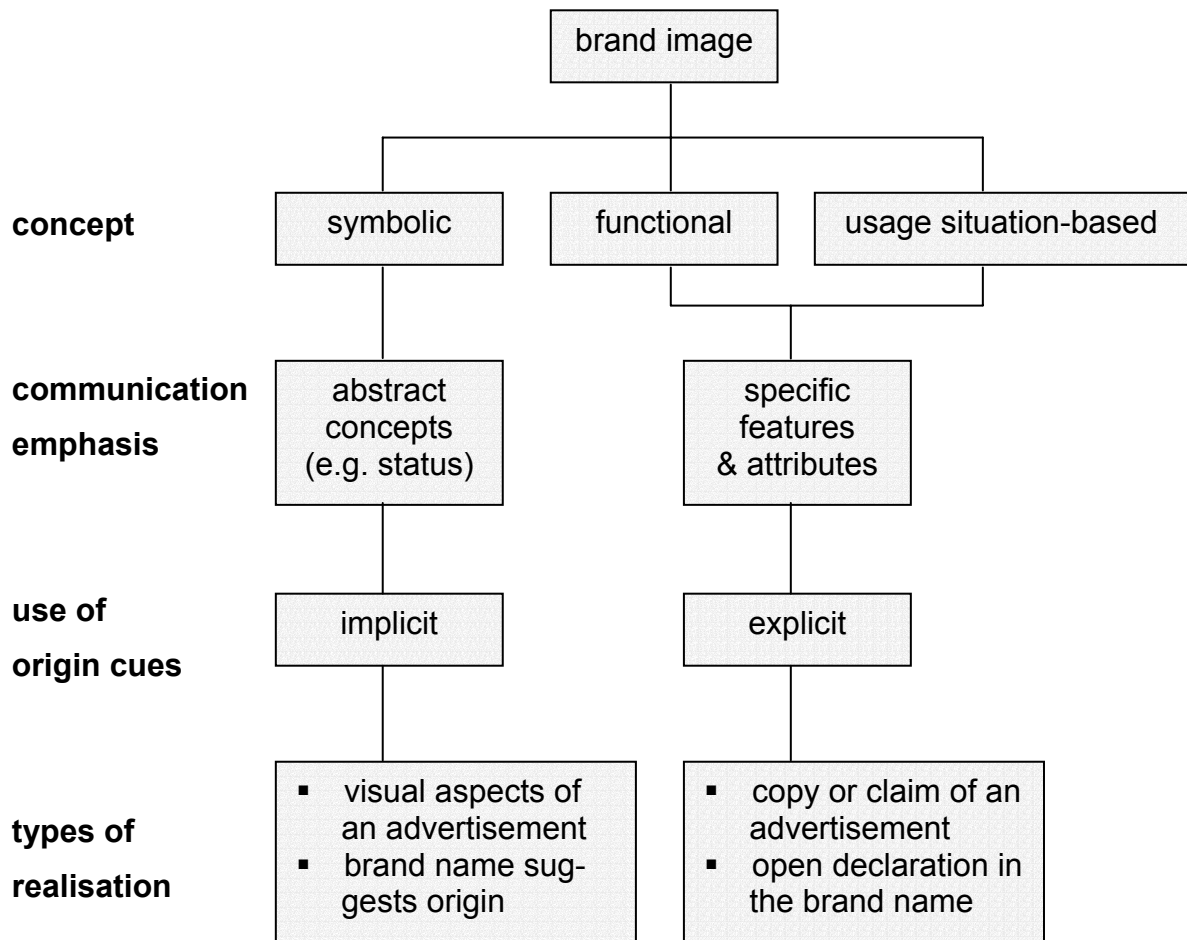
In reaction to the limitations of the country of origin model, THAKOR and KOHLI (1996) have developed the concept of brand origin which they define as “*the place, region or country to which the **brand** is perceived to belong by its **target consumers***” (p. 27, emphasis added). Table 3.2.1 below contrasts this concept with the country of origin model.

	Brand origin	Country of origin
analytical focus	<i>“Integration of origin cues within the brand image”</i> (p. 32)	Impact of country images on product quality ratings
research level	Brand level	Product level
basis of origin definition	Consumer perception	Manufacturing location
scope of the concept	Place, region or country signifiers	Limited to country indications

Table 3.2.1: Comparison between brand origin and country of origin

Concerning the strategic use of origin associations, THAKOR and KOHLI (1996) argue that a distinction needs to be made between brands that are based on symbolic concept, thus creating emotional or self-expressive benefits, and functional or usage situation-based brand images. The latter basically rely on functional benefits as identified by BURMANN (2003) and follow a logic similar to the country of origin effect. THAKOR and KOHLI (1996) propose that in case of a symbolic brand image the origin should be communicated implicitly while functional benefits should be endorsed by an explicit origin claim (figure 3.2.1). However, this approach does not account for brands that are based on a com-

combination of benefits such as BMW whose caption “The Ultimate Driving Machine” indicates fun or pleasure as well as superior handling thanks to German engineering.



*Figure 3.2.1: Brand image distinctions and use of origin cues
(based on THAKOR & KOHLI, 1996, pp. 33-34)*

In general, THAKOR and KOHLI’s observation that the perceived origin of a brand is more important than the actual place of manufacture appears reasonable because, as ANHOLT (2003) observes, reputation is not an attribute of the product but exists merely in the mind of the perceiver. Yet, the salience of some of the arguments in support of the country of origin effect outlined in the previous section can not be denied either. Therefore, even though it could simply be argued that the two models are concerned with complimentary aspects, this question merits further investigation.

3.3 Further perspectives on the relationship between a brand and its origin

In recent years, a number of researchers have turned their attention towards assessing the connection between origin and brand images and their joint impact. For example, LOEFFLER (2001) found that in the automobile sector, significant differences in the perception of emotional brand aspects stemming from origin effects are to be noted. Moreover, in a survey evaluating the perception of fashion brands by Singaporean consumers, LIM and O'CASS (2001) found that these more readily identified the culture of origin of a brand than the actual country of origin of the product. They deduced that consequently culture of origin, which in essence is similar to the brand origin concept outlined in the previous section, is more meaningful for consumers than country of origin, in particular with regard to hybrid products, that means products which are being manufactured in more than one country.

Furthermore, several studies were conducted which simultaneously assessed the impact of origin information and brand images. For example, in a study on the consumer evaluation of cruise lines, AHMED et al. (2002) discerned that a favourable origin image might compensate for a weak brand whereas a strong brand image does not suffice to overcome the adverse effects of a negative origin perception. Moreover, in a survey conducted among salesmen and purchasers of electronic equipment, D'ASTOUS and AHMED (1999) found that brand names often serve as a surrogate for origin information in the consumer evaluation of products. The obvious limitation to these studies is that they do not account for the effect the origin has on the brand image itself. Yet, they also imply that it can be possible for a brand to be free from origin associations, a notion which definitely merits further investigation.

Finally, DOWLING (2001) presents a comprehensive model on the interaction of country, industry, company and brand images. He argues that these images exist in a network and consequently reflect back on each other (figure 3.3.1). DOWLING (2001) further explains that the individual impact of these relationships depends on the awareness stakeholders have of this link and on the relevance they attribute to it. Lastly, he points out that any entity in this model can only benefit from the associations other entities evoke if these fit its desired image.

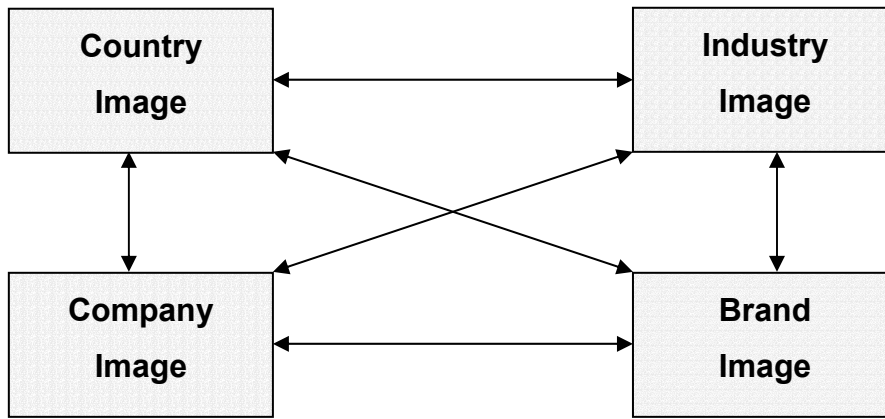


Figure 3.3.1: A network of images
(adapted from DOWLING, 2001, p. 189)

Within this framework, again, the relationship between a brand and its origin is of particular importance. DOWLING (2001) points out that many of the successful global brands benefit from a strong country heritage and in return have shaped the way these countries are perceived. However, he does not explain how brands in general could benefit from being associated with their respective origins.

Overall, it can be deduced that while the relationship between brands and their respective origins is met with increasing interest by researchers, so far no general perspective on the role of the origin in international brand management exists. Consequently, this subject will be a major thrust in the research carried out for this paper, integrating consumer as well as academic perspectives on this topic.

3.4 Chapter summary

This chapter has reviewed the existing literature on the role of the origin in international brand management. It has illustrated the major existing models on this topic and it has shown that a wide range of questions in this field are still unanswered which will be addressed in the framework of the research that is outlined and discussed in the subsequent chapters.

4 Research design and execution

4.1 Consumer perceptions of brand origin

4.1.1 Survey sample and execution

This survey was carried out in three different countries, namely Germany, Ireland and the United Kingdom. For Germany, a “snowball” approach to gathering answers via e-mail was chosen. The initial volley of questionnaires was sent to 36 people of different occupations, ranging from students of various faculties through employees in a range of functions to upper management executives. Furthermore, a handful of lecturers and administrative staff from the Aachen University of Applied Sciences was included in the group of primary recipients. Overall, the initial group covered an age range from 20 to 60 years. All of these persons were asked to forward the questionnaire to colleagues, friends and relatives of theirs, adding to the random element of this survey. In total, this survey yielded 235 valid responses. In Ireland and the United Kingdom, the survey was conducted directly, by asking randomly selected people in the city centres of Dublin and Edinburgh. This led to 67 and 81 responses respectively. The random samples were chosen in order to get an appraisal of the way people “on the street” perceive the origin of brands and products.

A direct approach to addressing the issue of the role of the origin in international brand management seemed inappropriate as this theoretical subject would hold no meaning to the “ordinary” consumer. Therefore, the survey was based on four short scenarios, each of them asking for a brief assessment of the situation presented. This evaluation was achieved through a straightforward question with the options of answering “yes”, “no” or “don’t know/not sure”. Appendix V presents an overview of the scenarios that were used.

Comments on the matter were not explicitly asked for, yet the cases served as a vessel to get a general opinion on the subject. In this way, consumer perception and thoughts on the role of the origin in international brand management were gathered. Consequently, in spite of its quantitative element, the main results of this survey are of a qualitative nature. These are discussed in chapter 5.

4.1.2 Limitations of this survey

The most obvious limitation of this survey is that it is not representative for either of the countries where it was conducted. Furthermore, as comments were not asked for, only about one out of ten respondents from Germany added any personal thoughts to the cases presented. In addition, the German sample might have a slight bias towards above-average education because of the composition of the group of initial recipients. Finally, only two out of the four scenarios were used in all three countries while the other two were adapted to present country-specific examples. Although these were similar in nature, there might be a slight difference in the way they have been received and consequently commented upon. However, as the main objective of this survey was to explore how consumers perceive the origin of brands on a general level, these limitations should not have a significant impact on the validity of the findings. The further differentiation and validation of the results would be an interesting area of further research.

4.2 Expert opinions on brand origin

4.2.1 Survey sample and execution

This survey included marketing researchers and lecturers from Irish, British and German universities. In total, 59 academics from Ireland, 320 from the United Kingdom and 266 from Germany were contacted, yielding response rates of 5.1%, 5.3% and 25.2% respectively.

The academic sample was chosen for a variety of reasons. Most importantly, it was selected as a response to the lack of academic literature on the role of the origin in international brand management. Furthermore, as the general aim of this paper is not only to assess but also to conceptualise the origin phenomenon, the respondents for this part of the research needed to have an understanding of the concept of brands and brand management. Finally, the perspective taken by the respondents should be global and not limited to individual industries.

The survey was completely conducted via email. It was based on seven hypotheses that were used to introduce each specific subject area. The recipients

were asked to respond to these hypotheses on a simple dichotomous scale and, more importantly, comment on the subject area in question. An overview of the hypotheses that were used can be found in appendix VI. As no significant differences in the replies from different countries were found, the results will be discussed collectively in chapter 6.

4.2.2 Limitations of this survey

Given the comparatively low response rates for Ireland and the United Kingdom, it can not be ascertained that these answers reflect the overall academic opinion on the subject in these countries and that this opinion is truly similar to the German perspective. Furthermore, the rephrasing of five of the hypotheses to clarify their meaning based on feedback from the initial respondents may have had a slight impact on the composition of the answers. However, this should rather have increased the quality of the answers instead of having had an adverse effect. Finally, with regard to the relatively high number of replies, the use of a Likert scale instead of dichotomous scale would have provided a more differentiated assessment of the hypotheses. Yet, as the major purpose of the study was to explore the academic opinion on the subject through the comments that were provided, these limitations should be inconsequential for the validity of the findings.

4.3 Irishness and Guinness in Germany

4.3.1 Survey sample and execution

This survey was conducted in conjunction with the consumer survey outlined in section 4.1.1. Thus, the sample is identical to the aforementioned German sample and 235 valid responses were received. The random sample was chosen in order to get a general overview of how Ireland and Guinness are perceived in Germany.

The survey consisted of three open questions, asking for associations with Ireland, typical Irish products and brands and finally for associations with Guinness, which were administered on separate pages in a Microsoft Word docu-

ment³. The sequence of these questions has been carefully chosen in order to avoid implying any answers for the subsequent question(s). Furthermore, the recipients were asked to answer one question at a time, moving on to the next only after having finished the previous one. The resulting findings are discussed in chapter 7.2.4.

4.3.2 Limitations of this survey

As has been pointed out in section 4.1.2, the composition of the sample does not reflect the overall German population, thus the results can only be seen as an indication, not an absolute truth. Furthermore, the survey neither made a distinction between people who had been to Ireland in the past and those who had not, nor between people who frequent Irish pubs and those who do not. These two dimensions would be mandatory elements of further research on this subject. Moreover, even though it appears unlikely that respondents would have added brand names to their overall associations with Ireland after having read a question explicitly concerned with products and brands, this notion can not be ignored. Thus, the “unaided” mention of brands in relation to Ireland has to be seen with caution. Yet, as the aim of this survey was to get a qualitative assessment of how Ireland and Guinness are perceived in Germany and given the relatively large sample, the impact of these limitations on the validity of the results should be negligible.

4.4 Chapter summary

This chapter has illustrated how the three major surveys that form an essential part of this paper have been conducted. Furthermore, the limitations of each of these surveys have been identified and the validity of the findings discussed in the subsequent chapters has been underscored.

³ Within this document, the questions on Irishness and Guinness preceded the scenarios used for the survey on origin perceptions.

5 Consumer perceptions of brand origins

5.1 Research findings

One of the foremost objectives of this survey was to test THAKOR and KHOLI (1996)'s observation that the perceived origin of a brand is significantly more important than the actual place of manufacture. Therefore, each of the scenarios contained either an actual or a potential mismatch between those two places. In addition, the feelings of the respondents on these issues were explored through unguided conversations stimulated by the examples that were provided. This allowed the identification of a number of triggers and key determinants of consumer perceptions on the origin of brands.

The most prominent example that was used in all three countries was Smirnoff vodka, the world's second best selling spirit, which is available in 150 countries (KNOBIL, 2001). The brand as we know it today was developed in the United States, where the vodka is also mainly produced. Apart from the name itself, only the symbols used on the bottle indicate a Russian origin. AAKER (2002) implies that their advertising campaigns never took up that theme. A more detailed discussion of the brand's history and its communication can be found in appendix VII.

In spite of being reminded of the company's American basis, more than two thirds of the respondents stated that they perceive Smirnoff as a typical Russian product as illustrated in figure 5.1.1 on the following page.

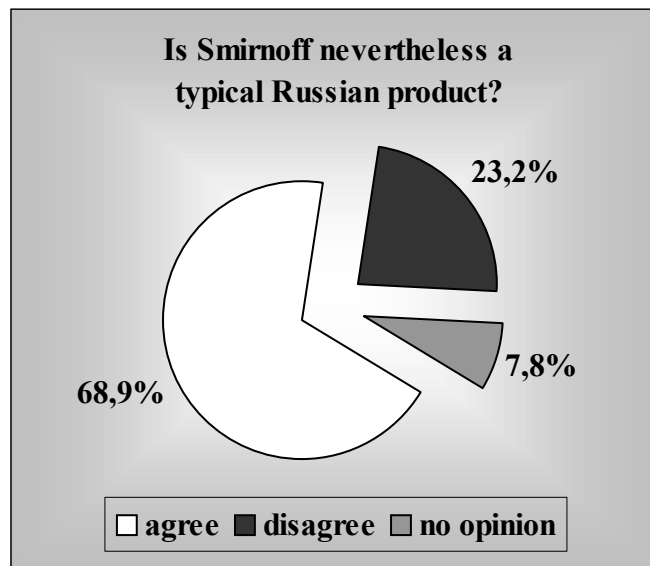


Figure 5.1.1: Consumer assessment of Smirnoff's origin

There was a common consensus among those who perceived Smirnoff as a typical Russian product that this was mainly due to the fact that vodka as a product is closely associated with Russia. Furthermore, a significant number of respondents pointed out that the brand name implied a Russian origin. While some participants voiced concerns about the quality of the product, the main reason for not calling Smirnoff a Russian product was a lack of authenticity.

The second example that was used in all three countries was Viennetta, one of the most successful ice cream brands owned by Unilever. The brand was conceived in the United Kingdom in 1979, inspired by the recipe for a traditional French layered cake (UNILEVER, 2003). Similar to Smirnoff, no explicit reference to any origin is made, the only element that supposedly conveys origin associations being the Italian-sounding name.

For this scenario, no indication of any origin was given. The participants were simply asked whether they would agree that Viennetta's image is related to the tradition of Italian ice cream making. The large majority of the respondents disagreed with this assumption as can be seen in figure 5.1.2 on the subsequent page.

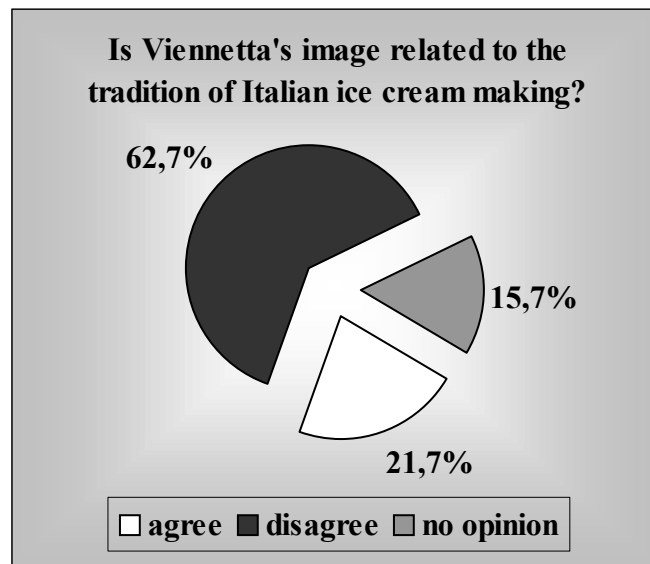


Figure 5.1.2: Consumer assessment of Viennetta's origin

The foremost reason for rejecting the notion that Viennetta is related to Italian ice cream making was that the product itself was not being seen as genuinely Italian, although nearly all respondents admitted that the name sounded that way. Still, there was a non-negligible number of participants who argued that the name either implied an Italian origin or at least an Italian recipe. Another noteworthy fact is that in Ireland and the United Kingdom a range of respondents brought up the question why Italian ice cream should be better than other ice cream. It appears that while Italian ice cream enjoys an excellent reputation in Germany, this perception is less widespread in the other two countries. Although no clear explanation for this phenomenon can be given based on this survey, it can be concluded that origin associations vary across different markets.

The other two scenarios that were used have been adapted to each of the countries where the survey was conducted. The first of these two presented the hypothetical case of a brand commonly associated with a specific origin having its products made in the respondent's home country. In all three countries, more than two thirds of the participants rejected the notion that this product would then be a "national" product of the country in question.

The final scenario was concerned with the case of a company native to the country in question moving the heart of its operations from its origin to another place. The majority of respondents stated that they would still associate the

brand with its origin, yet the percentages in each country were lower than for the previous example. The main reason for no longer seeing it as a national brand was a loss of authenticity, or as one Irish respondent put it, the companies “would betray their origins”.

5.2 Deductions from this survey

Several important aspects of the perception of brand origins by consumers can be deduced from this survey. First of all, the survey substantiates THAKOR and KHOLI (1996)’s observation that from a consumer perspective the perceived origin of a brand is generally more important than the actual place of manufacture. However, the notion that there are exceptions from this rule can not be denied. The identification of product categories for which this may not apply would be an interesting area of further research. Moreover, this survey was limited to consumer products. Therefore, the question whether the same logic also applies to services and, more importantly, in a business-to-business environment would also merit closer examination.

Another fundamental conclusion from this survey concerns the influence of the product category on the perception of the brand. The Smirnoff example clearly showed that its association with Russia mainly stemmed from vodka being a typical Russian product, in spite of the company not communicating this origin. Apparently, there is a strong relationship between product categories and origin associations that are evoked. While this survey does not allow the identification of specific relationships, this topic would merit further research. Another interesting question in this field is whether brands can benefit from being associated with origins that do not enjoy a reputation for their product category. This topic will be addressed in chapter 6.1.2.

The brand name can be identified as a salient trigger for origin associations as Smirnoff and the various country-specific scenarios have demonstrated. However, the Viennetta example also highlights that the brand name alone does not suffice to evoke strong origin associations, it needs to be complemented by a “fitting” product or – possibly – additional communication efforts.

A common theme among those who rejected anticipated origin associations was a lack of authenticity. This applies to brands that try to evoke “false” or fic-

tional origin associations as well as to established brands that infringe their credibility by removing their actual production from their original locations. However, the limitations of this survey do not allow an assessment on the extent of this threat. In view of the current criticism of globalisation and its effects, this would be a particularly interesting area of further research.

Finally, as the notion of Italian ice cream making has highlighted that origin association may vary across different markets even within Western Europe, this effect is likely to be of significant importance on a global level. One company that has successfully met this challenge will be discussed in depth in chapter 7.

On a general level, further research using a larger number of brands that are commonly associated with their respective origins would be recommended to validate these deductions.

5.3 Chapter summary

This chapter has identified a number of key concerns regarding brands that are supposed to benefit from origin associations in foreign markets. The most significant findings were that

- the perceived origin is generally more important than the actual place of manufacture,
- the product category has a substantial influence on origin perceptions,
- the brand name serves as a trigger for origin associations,
- a mismatch between communicated and actual origin may threaten the authenticity or credibility of a brand, and that
- companies may have to face the challenge of different origin perceptions in different markets.

The findings of this practice-oriented investigation will be complemented by the results of a survey conducted among academic experts which will be discussed in the subsequent chapter.

6 Expert opinions on brand origin

6.1 Research findings

6.1.1 Can a brand be free from origin associations?

Figure 6.1.1.1 indicates that the majority of marketing experts in Germany, Ireland and the United Kingdom believes that generally brands can not be free from origin associations, which underscores the need to examine this aspect of a brand's identity in more detail.



Figure 6.1.1.1: Expert opinion on freedom from origin associations

One of the main arguments in support of this assumption was that consumers in any part of the world consciously or subconsciously associate brands with certain origins. This can be the actual place where a brand comes from or the country where it originated, yet it could also be classified in a general region (e.g. "Scandinavia") or an even more broadly defined area such as "East Asia" or "Europe". As a consequence, consumers apply their actual or stereotyped knowledge about these places to the respective brands and base a preliminary assessment of the brand on this perception (and, of course, other communicated aspects of the brand's identity). Furthermore, most countries enjoy a reputation for a range of product categories or general qualities which automatically reflects back on brands from these origins.

Notwithstanding, there were also a range of salient arguments and examples where this general perspective might not apply. Foremost among these was the assertion that for a range of product categories, origin associations may simply be inconsequential for the consumer. Examples for this are mainly to be found in the field of fast moving consumer goods, including categories such as toilet paper, detergents or floor polish. Yet, the same logic supposedly also applies to other products where consumer involvement is generally low. Consequently, it should be possible for brands in these product categories to be free from origin associations.

Another interesting notion that was brought up is that long-established brands, and global brands in particular, that do not actively communicate their origin may be free from origin associations, because consumers are familiar with them since their childhood. As a consequence, these consumers may take their existence for granted, accepting the brand's proposition as is, without considering the possibility that the brand does not stem from their home country or even bothering about the brand's origin at all. One example for this is the Mars chocolate bar which, according to one of the respondents, is generally not associated with its origin, the United States.

Moreover, a number of respondents pointed out that corporate brands represent a different case in this context. While the origin might be equally important, the brand image can be diluted through mergers and acquisitions which often result in the creation of new brand names which will be difficult to allocate. There are numerous salient examples which give emphasis to this observation, for example the creation of London-based Diageo Plc as a result of the merger between Guinness and the US spirits company GrandMet, or the creation of Aventis as a result of the merger between the French pharmaceutical company Rhône-Poulenc and its German counterpart Hoechst. However, with regard to the scope of this paper, the perception of corporate brands will not be analysed in more depth.

Some experts further suggested that artificially created brand names are likely to be free from origin associations. One example for this would be the Unilever-owned Omo detergent brand, a brand that according to COLLINS (1992) represents an invented name "with no particular expressive value" (p. 30) which con-

sequently only triggers those associations which are actively communicated by its owners. The aforementioned examples of Aventis and Diageo further underscore the relevance of this argument with regard to corporate names. However, the question whether this observation can be generalised for consumer brands can not be answered within the framework of this survey, in this area further research would be required.

In summary, it can be concluded that while many brands are voluntarily or involuntarily subject to origin associations, exceptions to this rule exist. These are most likely to be found with commodities or low involvement items, yet an in-depth assessment of these exemptions surpasses the limits and means of this paper. Consequently, the determination of product categories in which brands can be established without the need to consider the influence of origin associations would be an essential area of further research.

6.1.2 Can brands benefit from being associated with origins that do not have a distinctive reputation concerning their respective product category?

On this question, the opinions of academic marketing experts are clearly divided, with a slight tendency towards saying that the origin does not need to possess a distinctive reputation for the product category in question in order for the brand to benefit from being associated with it (figure 6.1.2.1).

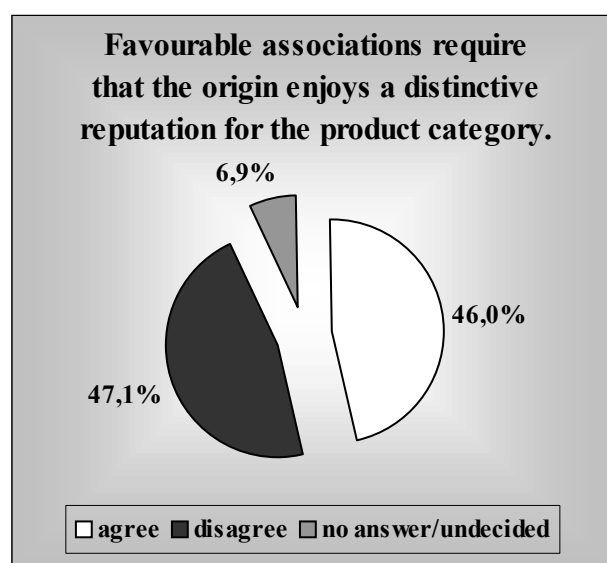
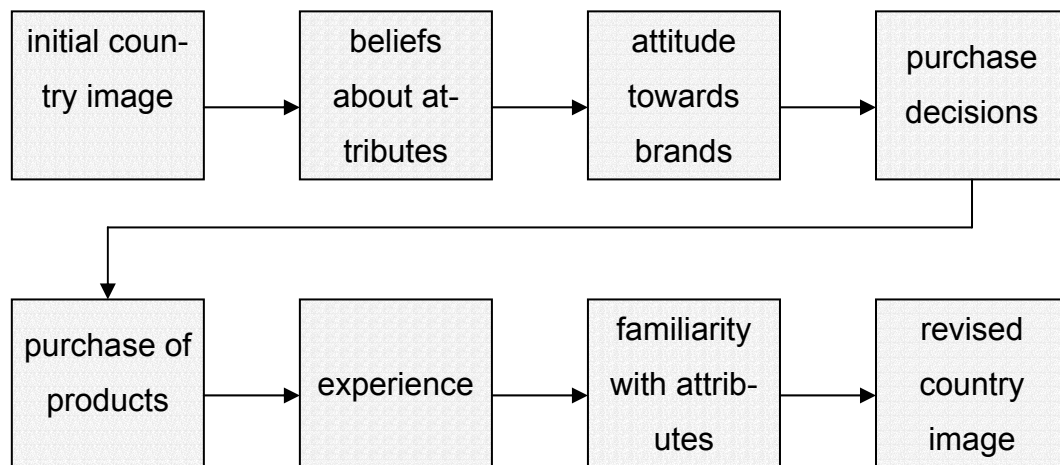


Figure 6.1.2.1: Expert opinion on reputation requirements

There was a common consensus among the respondents that any brand is likely to benefit if its origin enjoys a positive reputation for the respective product category. However, hardly any arguments were provided why this should be the only case in which a brand could benefit from being linked to its origin, the general notion being that otherwise it would not be worthwhile to establish that link. One British respondent argued that the continued maintenance of origin associations is costly as well as time-consuming and thus only sensible if comparative or competitive advantages can be gained from it. Furthermore, several participants pointed out that associating a brand with an origin not known for that product category could cause consumers to be confused because of this apparent mismatch.

Conversely, there were numerous arguments and examples for the motion that brands can indeed benefit from being associated with an origin that is not commonly associated with the respective products. Several respondents pointed out that cultural and emotional characteristics of a place or region can be transferred to brands which associate themselves with that origin. Furthermore, general themes related to specific countries, such as the “American way of life”, the French “savoir-vivre” or the Italian “lust for life” will be relevant for a large number of brands regardless of their product category. A good example for this is the cigarette brand Gauloises Blondes which benefits from evoking a French image. Through a clear focus on this theme in its communication strategy, further emphasised by the caption “Liberté, toujours”, it has become associated with French lifestyle, in spite of the fact that France as a country is not commonly associated with cigarettes. Appendix VIII provides two samples of Gauloises advertising which illustrate their use of French imagery.

Finally, a number of marketing lecturers highlighted that brands can also shape the perception consumers have of the origin itself. JAFFE and NEBENZAHL (2001) have developed a model which illustrates the interaction between brands and their respective countries (figure 6.1.2.2).



*Figure 6.1.2.2: A dynamic approach to country image
(adapted from JAFFE & NEBENZAHL, 2001, p. 45)*

This model assumes that when faced with a previously unknown brand consumers will use the associations they have with the (perceived) origin of this brand as a criterion to assess its possible attributes and to determine their attitude towards it. Thus, the origin associations will (indirectly) influence their purchase decision. If a purchase is made, consumers will gain experience with products from this country and become familiar with the true attributes of these products. Based on this knowledge, the existing country image will be adjusted to take these attributes into account, resulting in the creation of a revised country image. The latter will then apply to the concerned product category as well as any other brands from this origin which may have to be appraised in the future (JAFFE & NEBENZAHL, 2001).

While JAFFE and NEBENZAHL (2001)'s model is focussed on actual consumer experience, it could even further be argued that the mere emergence and promotion of brands from a specific origin may lead to this origin becoming associated with the respective product category in the target market.

In summary, it can be concluded that while an existing reputation of the origin for the product category might directly benefit the brand image, there are also a range of possibilities for a brand to benefit from other aspects of an origin's image.

6.1.3 Can multiple brands in one product category benefit from being associated with the same origin?

The notion that for each origin, only one brand per product category could benefit from this origin cue was clearly rejected by the respondents, as can be seen in figure 6.1.3.1.

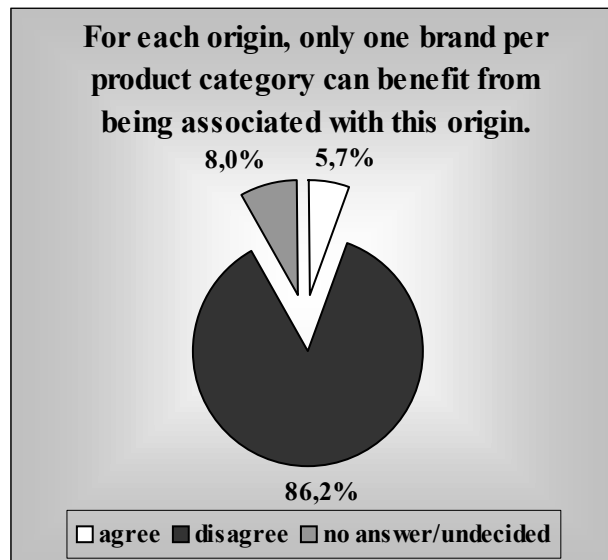


Figure 6.1.3.1: Expert opinion on the shared use of an origin cue

There are numerous examples where more than one brand benefits from the same origin cue. These can be classified into two broad categories, the reputation for specific product categories and a general expertise in a field. Examples for the former include Swiss watches, French wine, Scottish whisky, Irish butter, Black Forest ham or Parmesan cheese. Examples for the latter would be Italian design or German engineering.

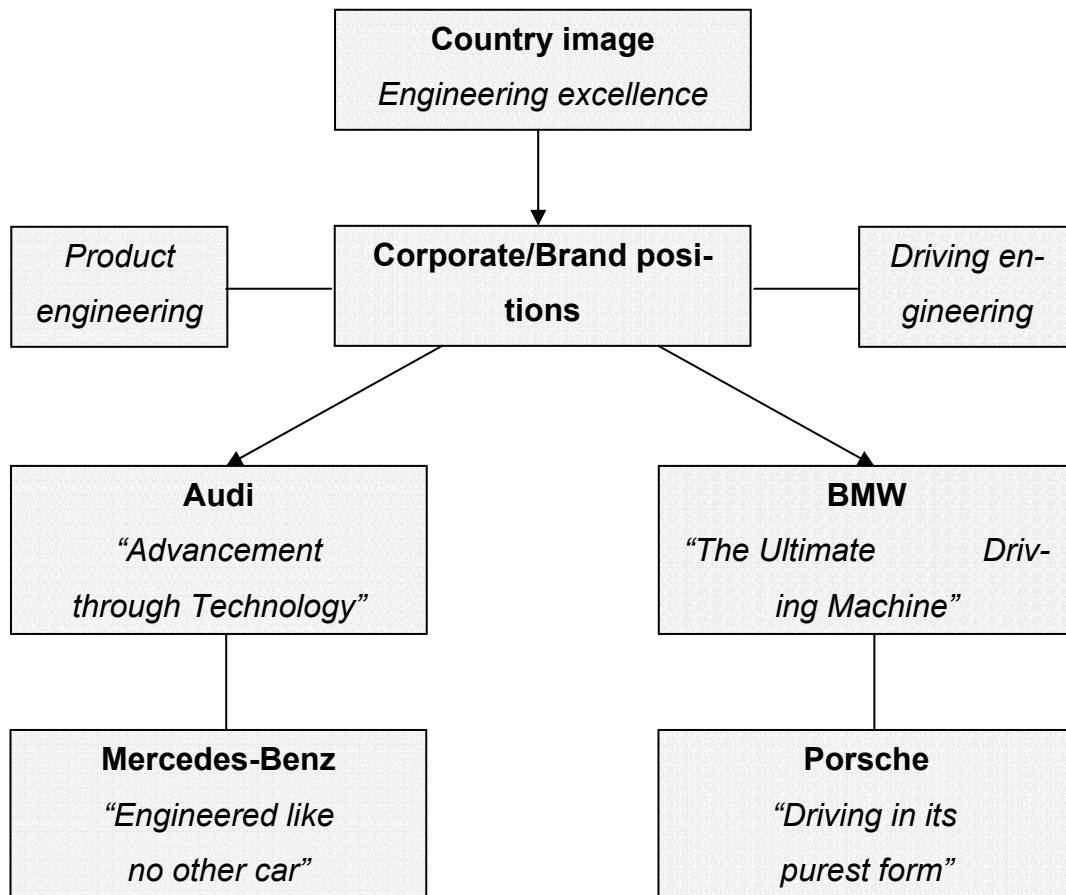
However, it was also noted that one brand per product category is likely to benefit most from the origin cue, normally either the first or the largest/most high profile brand that uses this cue. Over time, if the market is large enough to support multiple brands, similar brands might achieve the same benefits from being associated with this origin as existing consumers forget and new consumers do not know who was the first mover.

Another important observation was that if several brands share the same origin, this reduces differentiation and thus the advantage to be gained from these as-

sociations. As a consequence, the positioning of a brand should never rely on origin alone, other distinguishing features are needed.

Furthermore, as has been demonstrated in section 6.1.2, the existence of multiple brands can shape the image of an origin and in that way benefit the category as a whole. Thus, competitors using the same cue are not necessarily a negative thing. RIES and RIES (1999) explain that increased competition also raises consumer awareness and is likely to stimulate growth of the category. For example, Coca Cola has realised a significant amplification of demand since the arrival of Pepsi as a competitor. A similar logic may also apply to brands that use origin associations as a distinguishing feature in a larger market.

Finally, it has to be noted that companies can interpret the same origin cue in different ways and thus achieve similar benefits without losing the differentiating advantage gained from these associations. An excellent example for this is the German automobile industry where multiple brands benefit from the overall image of engineering excellence while having developed unique formulas to communicate this advantage. DOWLING (2001) provides an illustration of how the largest German automobile brands use this image (figure 6.1.3.2).



*Figure 6.1.3.2: Interpretations of German engineering
(adapted from DOWLING, 2001, p. 190)*

In summary, it can be concluded that multiple brands can benefit from being associated with the same origin. Therefore, origin generally does not suffice as a distinguishing feature in the marketplace, brands need to possess further differentiating characteristics in order to maintain a unique positioning.

6.1.4 Can a brand be associated with different origins in different markets?

There was a clear agreement on the notion that consumers in different markets can associate a brand with different origins as can be seen in figure 6.1.4.1 on the subsequent page.

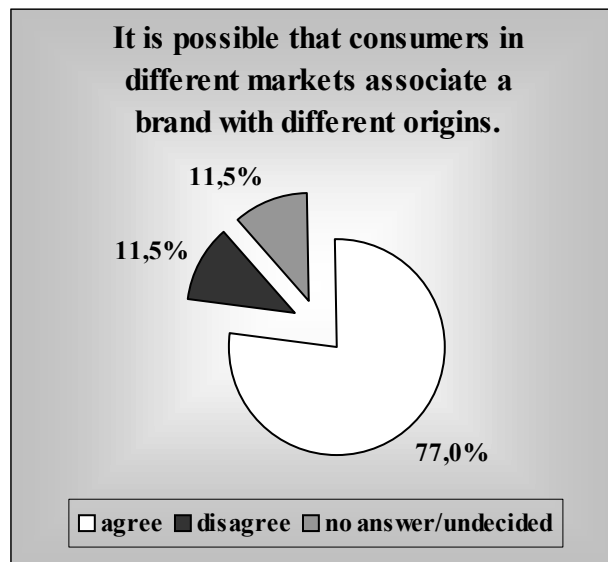


Figure 6.1.4.1: Expert opinion on dispersed brand images

One example of such a dispersed brand image would be the automobile brand Ford which, according to a British marketing lecturer, is generally seen as a British brand in the United Kingdom and as a Spanish brand in Spain, in spite of having a clear American origin.

Concerning the consequences of being associated with dissimilar origins, two opposing views can be identified. On the one hand, a disparate brand perception across different markets might impair with the maintenance of a clear and unmistakable brand identity, in particular with regard to global brands. On the other hand, a company might achieve significant benefits from “localising” their brands, in particular a more favourable perception and a higher acceptance with consumers. One example of an extremely localised brand is Nivea. Alain de Cordemoy, chairman of Beiersdorf France, implies that this brand is generally seen as a national brand in all of its markets, an image which is enforced through regionally adapted communication (MITTEAUX, 2003). From a consumer perspective, it could be argued that these brands no longer have a specific origin.

In summary, it can be concluded that unless the origin is actively communicated, brands are likely to be associated with different origins in different markets, resulting in slight variations of the brand image. The question whether the benefits of a standardised global image outweigh those of localising a brand obviously has to be answered individually for each brand.

6.1.5 Does lack of consumer knowledge about the origin itself increase the effort needed to establish an origin-related brand image?

Figure 6.1.5.1 shows that there was a general agreement among the respondents that a lack of consumer knowledge about the origin increases the effort needed to establish an origin-related brand image.

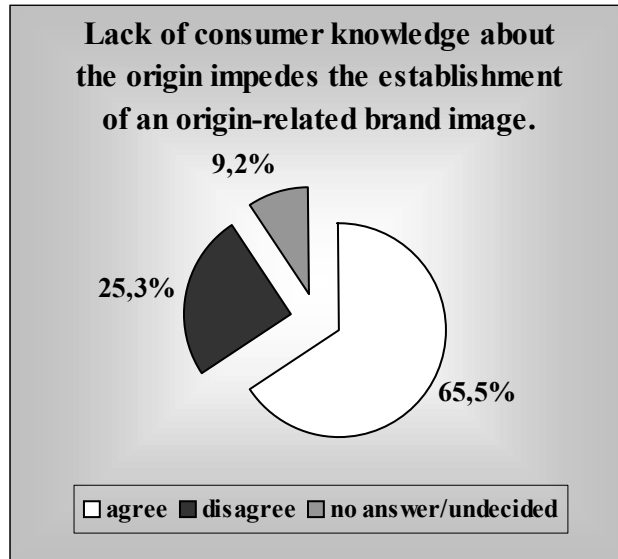


Figure 6.1.5.1: Expert opinion on lack of consumer knowledge

The majority of those respondents who rejected the above notion argued that in the framework of the creation of a brand identity, it was a regular task to communicate what is supposed to be associated with the brand. Hence, the evocation of origin associations merely requires a specific type of communication, yet no additional efforts. Furthermore, a number of participants pointed out that the easier route to take would probably be to establish a brand identity based on values similar to those associated with the origin without making reference to the latter.

The overall majority of respondents conceded that in order for a brand to take advantage of origin associations, consumers need to have a basic degree of familiarity with this origin. If this knowledge could not be built upon, consumers would have to be educated about the origin. This, in turn, would require additional communication efforts because, as a marketing lecturer from the United Kingdom stated, “you have to tell them where it’s from and what connotations that should have – two jobs, not one.”

In summary, it can be concluded that if an origin-related brand image is to be established, the communication efforts required will be higher in markets where consumers are not aware of the associations this origin supposedly evokes. Yet, the establishment of an identity based on values similar to those associated with the origin is a valid alternative as it would eliminate one of the two “jobs” without contradicting the brand’s identity in other markets. The question which strategy is preferable obviously will have to be answered individually for each brand and based on the characteristics of the target market.

6.1.6 Does a strong association of the brand image with its origin increase the difficulties in repositioning the brand?

The majority of respondents agreed that an intricate link between the origin image and the brand image may complicate the repositioning of a brand (figure 6.1.6.1).

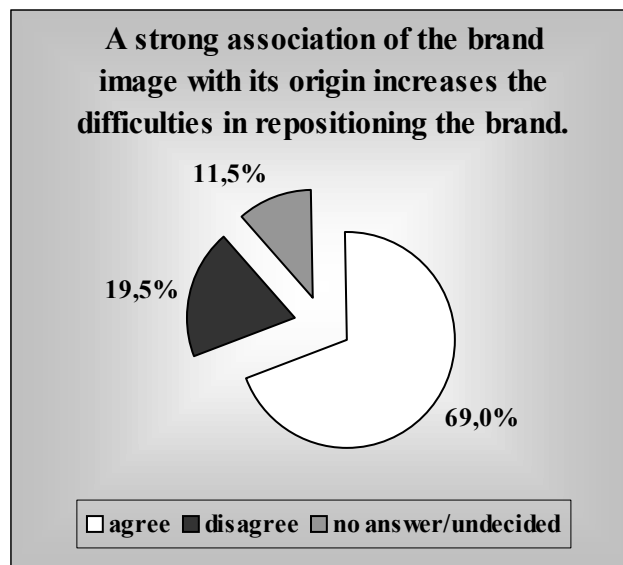


Figure 6.1.6.1: Expert opinion on repositioning origin-linked brands

While any strong association with a brand is difficult to dislodge in the mind of the consumer, this is particularly true for a connection with the brand’s origin as this not only represents a set of associations but also forms an integral part of the brand’s heritage. It was pointed out that this heritage is one of the main pillars of a brand’s credibility, thus if a brand suddenly started to deny this heritage it would expose its credibility to a serious risk. Even if the company did not deny the origin outright but merely tried to establish brand associations which oppose

the existing origin image, consumers are likely to question the truthfulness of these claims.

Consequently, it was argued that the major challenge in this field is to convince the consumer that either the origin association is no longer valid or that his perception of this origin is incorrect – both of which being obstacles that are hard to overcome in a credible way. The only feasible alternative that was proposed would be a gradual change of the brand identity, relying on the fact that over time consumers are likely to forget about associations that are no longer communicated. However, in most cases where a repositioning is called for this strategy might take too long to be a viable alternative. Thus, the creation of a strong link between a brand and its origin has to be seen with some caution.

It has to be noted, however, that the above observations are only true if the repositioning affects associations evoked by or related to the origin. If the desired new brand proposition is within the spectrum of what can be credibly associated with this origin, the aforementioned problems will probably not arise.

In summary, it can be concluded that a strong association of the brand image with its origin is likely to be a hindrance in case of a significant repositioning.

6.1.7 Does the attempt to associate a brand with a “false” origin increase the threat of attacks on the brand?

In chapter 5.2, it has already been established that a mismatch between the implied origin and the actual origin of a brand might be a threat to the brand's credibility if consumers are aware of this discrepancy. Hence, in the final question of the expert survey, the academic participants were asked to assess the threat of attacks on the brand in case of an attempt to associate it with a “false” origin. The academic opinion on this topic was clearly divided with a slight tendency towards saying that the attempt to evoke unsubstantiated origin associations does not increase this threat as can be seen in figure 6.1.7.1.

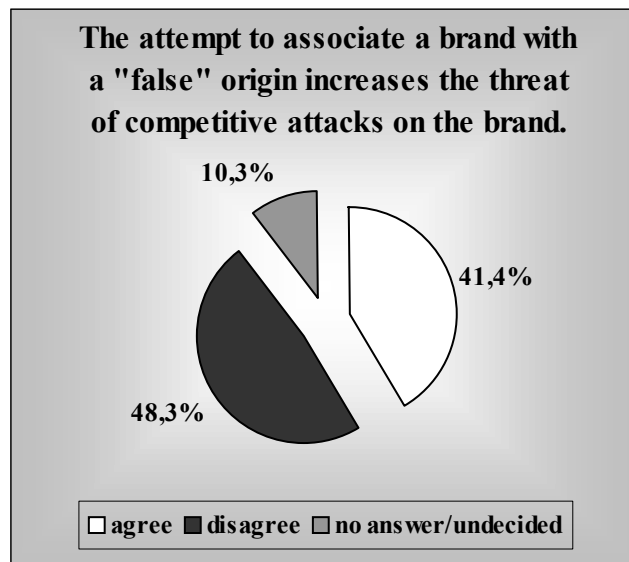


Figure 6.1.7.1: Expert opinion on the risks of adopting a "false" origin

Advocates of an increased threat argued that competitors are given the opportunity to undermine the brand's credibility by pointing out the mismatch between the communicated and the actual origin. This might even go as far as an outright accusation of deceiving the consumer which will be very hard to fend off as the facts will back up the attacker's position, although indirect attacks by instigating consumers to question the origin of a brand and to find out about the disparity themselves are generally seen as more likely to be successful. Furthermore, it was indicated that the adoption of a "false" origin creates an opportunity for competitors to position themselves as "the genuine article" and in so doing win over existing customers. However, it remains difficult to discern in how far these threats are of a hypothetical nature and how likely actual attacks on the brand by competitors are.

Opponents of the notion that a discrepancy between the implied and the real origin of a brand leads to an increased threat of attacks emphasised that there are numerous product categories where this assumption does not apply. For example, a British respondent pointed out that cosmetics are produced in various countries but often have French names. As this is a general and widespread phenomenon in this product category, no problems are likely to arise from this. Other examples would be pasta or pasta sauce which tend to have Italian-sounding names. In general, there seems to be no problem in using unsubstantiated origin cues for brands where the product category lends credibility to the claim. The Smirnoff example that was discussed in chapter 5.1 further

underscores the salience of this deduction. The questions whether other characteristics could also substantiate the adoption of a “false” origin and in how far consumers are already impervious to or “immunised” against these origin claims would be interesting topics for further research.

In summary, it can be concluded that while the possibility of attacks on the brand can not be denied, the actual risk of associating a brand with an origin that is not substantiated by the real location of the company appears to be fairly small.

6.2 Chapter summary

By means of an in-depth discussion of the results of a survey conducted among marketing researchers and lecturers from Germany, Ireland and the United Kingdom, this chapter has answered a range of fundamental questions on the use of origin associations in international brand management. The most important findings were that

- not all brands are automatically subject to origin associations,
- multiple brands can benefit from the same origin cue, therefore
- origin alone does not suffice as a distinguishing feature, and that
- established origin associations are hard to overcome in case of a repositioning.

The next chapter will provide the best practice example of a company that has efficiently integrated its origin into its international brand strategy.

7 Origin-linked brand images in practice

7.1 The Guinness case study

7.1.1 Overview of the organisation

In 2000, the London-based drinks and food giant Diageo Plc decided to merge two of its business divisions, United Distillers & Vintners (UDV) and Guinness Brewing Worldwide (GBW) to form Guinness UDV, the group's drinks arm (COMPANY CV: GUINNESS UDV, 2001). GBW used to be solely occupied with the management of the group's worldwide beer business, the most important of which being the Guinness stout brand. The latter is one of the group's eight "global priority brands", having sold 11.1 million cases during the year ended 30 June 2002 (DIAGEO, 2002a and 2002b). According to staff members at the Guinness information centre in Dublin, the brand is currently available in more than 85 countries across the globe, giving the brand a strong presence on all continents.

TIM KELLY (1999), marketing director at GBW before the merger, points out that while marketing is coordinated at division level, the regional headquarters enjoy a significant degree of liberty in the implementation of the Guinness brand strategy. HANKINSON and COWKING (1996) provide an overview of these regional marketing headquarters and the respective areas they cover⁴:

Ireland (Dublin)	: Republic of Ireland, Northern Ireland
GB (Park Royal)	: Great Britain
Europe (London)	: Geographic Europe, excluding Ireland and GB
Africa (London)	: Continent of Africa, Middle East
Asia Pacific (Singapore)	: Far East, Australasia
Americas & Caribbean (Stamford, USA)	: North America, Jamaica, Caribbean, Central and South America

⁴ The original source also contained a separate marketing division for Cruzcampo in Spain. This has been omitted because of the sale of these activities to Heineken in July 1999 (EUROMONITOR, 2002).

This structure already implies that there are significant differences in the way the Guinness brand was developed across these regions, in particular regarding the use of brand origin cues, as will be illustrated in the following sections.

7.1.2 Guinness' return to its roots in Ireland and Great Britain

Over the last years, Guinness has tried to rejuvenate its brand image in order to attract new, younger customers, thereby trying to ensure long-term growth. GROSE (2001) observes that Ireland's baby boom peaked in 1980 which in combination with the country's fast economic growth in recent years, led to the creation of a generation of well-educated and affluent young people, more than willing to enjoy themselves. However, like in many other countries, the younger beer-drinking generation in Ireland has developed a growing affection with clubbing and more trendy, "up-tempo" forms of socialising which don't go together well with a "traditional" Irish image (THORNTON, 2001), neither in the brand's home market nor in the United Kingdom. The background box below highlights some of the measures Guinness has taken in order to adapt to a younger target audience.

1) "Guinness Great Britain is putting major promotional backing behind Guinness Extra Cold, a super-chilled version of the stout brand, in a direct effort to attract those younger drinkers who regard traditional stout as too heavy and warm. The new product, which is chilled to three degrees centigrade, was rolled out to 3,000 pubs and bars last year [2000] along with a TV and press campaign targeting 20-35 year-old drinkers."

2) "After millions of dollars of R&D, Guinness has applied its patented widget system to bottled Guinness, which allows an infusion of nitrogen and carbon dioxide once the bottle is opened. Guinness rolled out the new bottle in 1999 in Ireland with a series of TV ads featuring dancers. "We wanted to make a serious point about the usability of Guinness on the dance floor," says Gillian Wilson, brand director at HHCL, a UK-based advertising agency which handles the Guinness brand."

(continued on the next page)

3) “Guinness Ireland began touting the Extra Cold brand with a £750,000 ad campaign in 1998. The campaign included TV, radio and outdoor advertisements focusing on the smooth quality of the stout's latest iteration. The TV ads employed sparse, hypnotic music in an effort to evoke sensuality. When in doubt, sex it up.”

4) “Another series of disconnected ads were launched in June of 1999 in Ireland as a part of the "Live Life to the Power of Guinness" slogan, which associates seize-the-day and good-life themes with the brand in an effort to recruit new drinkers in the under 30 demographic. One theme throughout all of the ads is that intense emotions or experiences come with drinking Guinness.”

Background box 7.2.2.1: Selected measures to rejuvenate Guinness

(Source: THORNTON, 2001 [Internet])

However, none of these measures had the desired effect of changing the way Guinness was perceived significantly enough to attract noteworthy numbers of new, younger drinkers to the brand. In fact, sales in the United Kingdom leveled off again after a short-lived boost following the launch of Guinness Extra Cold, while they continued to decline in Ireland. Furthermore, there were considerable concerns about alienating the brand's existing customers (TONER, 2002).

Guinness' problems to appeal to a more world-minded younger generation in Ireland (and also in the United Kingdom) are an excellent example for one of the potential problems of a strong linkage between the brand origin and the brand image because in the mind of the consumer Guinness is intricately linked to an origin that is perceived as anything but trendy. In fact, over the course of its long history, the brand has become “as much a symbol of Ireland as the shamrock or the tri-colour” (ROGERS, 2002), a powerful association that is hard to overcome in a convincing and sustainable way.

Apparently, this fundamental truth about the brand has also been recognised by the Guinness marketing managers. Tommy Kinsella, head of advertising for Guinness UDV recently declared in a Sunday Times article that there has been a change of strategy, “Where the focus was on recruitment (of new drinkers),

we now want advertising to appeal to existing drinkers while also trying to be of interest to non-Guinness drinkers” (TONER, 2002). The same article further outlines some key elements of the redirected advertising strategy which include a strong association with hurling as well as extensive usage of Irish mythology in various formats. This means that brand communication will (again) focus on those customers that are comfortable with the brand’s traditional Irish image and that can be more easily reached by making use of the associations the brand origin evokes.

7.1.3 Bringing “Irishness” to the continent

In the early 1970s Guinness began to establish a presence in selected Western European markets, with a particular interest in Italy and West Germany. HOOLEY (1982) notes that market research for both of these countries implied that the most suitable target group were young, affluent men who were looking for a beer that was different. He further states that brand communication had to stress the “traditional values of a pure, wholesome beer, brewed with centuries of tradition”, with an added emphasis on the fact that Guinness was essentially Irish. During the initial years this fact was to be explicitly declared in all advertising. Yet, probably the strongest factor contributing to the brand’s unique image was of an implicit nature, namely the retail outlets themselves. HANKINSON and COWKING (1996) imply that Guinness has always held a strong conviction in the fact that there is no better place to offer or consume a pint of stout than an authentic Irish pub. Thus, they have supported the creation of these pubs outside Ireland and tried to ensure that a “genuine Irish ambiance” was created. Eventually, this was institutionalised through the development of the “Guinness Irish Pub Concept” in 1992 which is now being applied worldwide (HANKINSON and COWKING, 1996). KELLY (1999) describes the role that the company adopts in this as being “facilitators”, providing a customisable format that is Irish in essence and helping the prospective pub owner to develop the necessary relations, while at the same time ensuring a high and consistent level of quality. The success of this concept can be seen in the rapidly increasing number of Irish-themed pubs in Europe as well as in other parts of the world. In 1996, the count was at around 800 pubs (BANKS, 1996) which rose to 1584 Irish-themed pubs in 35 countries by 2000 (DOOLE & LOWE, 2001). The latest figures, displayed at the

Guinness information centre in Dublin in March 2003, account for more than 1800 pubs in 45 countries with both numbers growing steadily according to staff members. The German specialised magazine *Werben & Verkaufen* indicates that the development of Guinness' strong brand identity in Western Europe, and Germany in particular, was further supported by a clear advertising focus on the distinctiveness of the product and its consumers during the late 1990s (*BIER FÜR MÄNNER MIT ZEITGEIST*, 1999).

Guinness in Western Europe is an interesting example of how origin cues, in particular implicit ones such as the design of the retail outlets, can be used to create a strong brand image that actually reflects the desired brand identity. The brand's origin-based proposition allowed the establishment of a solid niche position in most Western European markets. It could even be argued that the Irish origin is the defining criterion for that segment of the market. The actual achievement this represents becomes particularly obvious when regarding the fact that Guinness managed to establish a solid position in the slowly consolidating German beer market that still comprised 1,270 breweries in 2001. In order to validate these findings, a comprehensive survey on the perception of Ireland, its products in general and Guinness in particular in the German market has been carried out, the results of which will be discussed in the following section.

7.1.4 Country spotlight: Irishness and Guinness in Germany

The research on Irishness and Guinness in Germany was based on three open questions that were administered as described in chapter 4. In total, the survey yielded 235 valid responses to the following questions:

1. What would you spontaneously associate with Ireland?
2. What would you say are typical Irish products and brands?
3. What would you spontaneously associate with Guinness?

The first of these questions yielded 228 different associations with Ireland, ranging from very personal, emotional associations to relatively rational, factual observations. Figure 7.1.4.1 provides an overview of the most frequently quoted associations and the percentages of respondents that mentioned them.

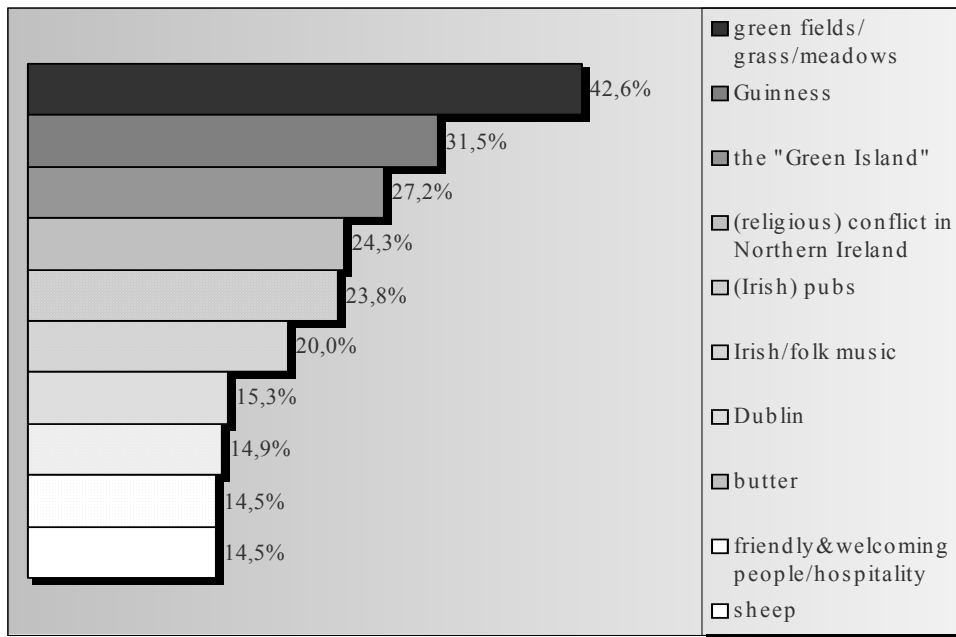


Figure 7.1.4.1: Top ten associations with Ireland

While it is not surprising that associations such as “green fields” and the “Green Island” (this being a standing expression in Germany when referring to Ireland) score high in this list, the fact that more than three out of ten respondents mentioned Guinness as an unaided association with Ireland is ample proof of the intricate linkage between the brand and its origin⁵. Furthermore, the high scores for Irish pubs, Irish music as well as friendly and hospitable people give an indication of what may be perceived as “Irishness” in Germany and what consequently reflects back on the brand. The other associations shown in figure 7.1.4.1 are of a more factual nature and should therefore not have a significant impact on the perception of a lifestyle product such as stout beer. However, it has to be noted that the ongoing conflict in Northern Ireland may result in a reserved attitude towards Irish products in general with some people.

In terms of typical Irish products and brands, Guinness consequently tops the list, followed by the product categories of butter and whiskey, again proving the strong linkage between the brand and its origin (figure 7.1.4.2).

⁵ Even taking into account the cautionary statement on the “unaided” associations that was made in chapter 4, the high percentage still indicates a valid trend.

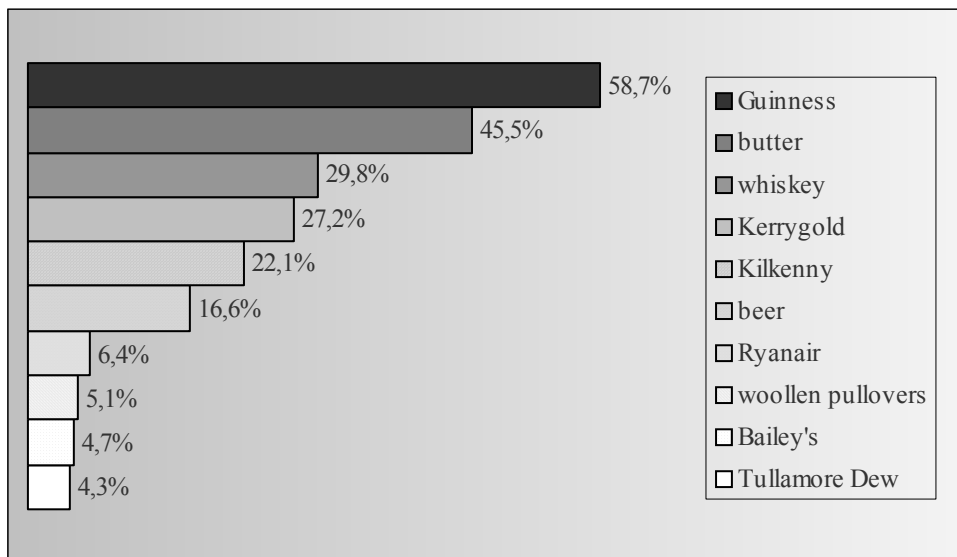


Figure 7.1.4.2: Top ten Irish products and brands

A noteworthy fact is that Guinness' major competitor in the Irish stout beer segment, Heineken-owned Murphy's, only received five mentions in spite of being available in Germany as well. It is not an uncommon occurrence that customers order a Guinness in locations that actually serve Murphy's stout which illustrates Guinness' dominance of this niche in the beer market. Furthermore, a strong correlation between the mention of Irish pubs in the first question and the mention of Guinness and the Guinness-owned Kilkenny brand was found, giving additional credit to the company's successful Irish Pub Concept.

Another brand that was mentioned by a significant percentage of the participants is Kerrygold, a prime brand in the butter category that itself was quoted as being a typically Irish product by 45.5% of the respondents. Background box 7.1.4.1 provides a brief illustration of how Kerrygold makes use of origin associations in their branding strategy.

Kerrygold as a brand was launched by the Irish Dairy board, an organisation created in 1961 to handle the export marketing of dairy products, and has known significant growth internationally since then (INTERBRAND, 1990). According to LOYEZ-WOESSEN (2003), packaging partner for Kerrygold and the brand's sole distributor in France, it is now available in over 65 countries on 4 continents, making it a truly international food brand.

Right from the start, Kerrygold's brand identity has been consequently linked to its Irish origin. This was reflected in the product names, the logo, the distinctive gold-and-green packaging, the symbolism used in advertising (in particular "green fields") and in the design of the corporate web-site. These features remain virtually unchanged world-wide, as the examples provided in appendix IX illustrate.

Background box 7.1.4.1: Kerrygold and its use of Ireland associations

The final question of the survey on Irishness and Guinness in Germany was concerned with the associations consumers had with the name "Guinness". With one exception, all 109 associations that were provided related to the beer brand and its image. Thus, it is no surprise that 63.4% of the respondents explicitly stated that they associate Guinness with beer. Figure 7.1.4.3 shows the most frequently quoted associations and the percentages of respondents that mentioned them.

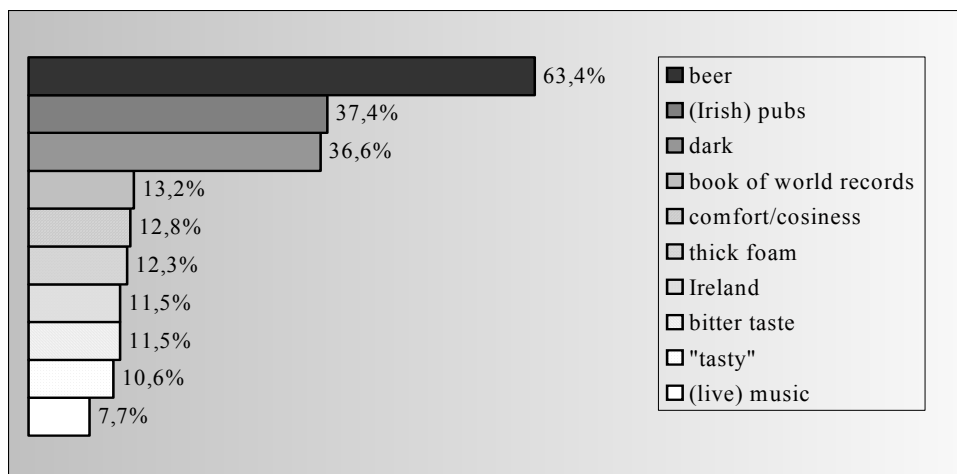


Figure 7.1.4.3: Top ten associations with Guinness

While a number of associations were concerned with the product's physique (dark, thick foam, taste,...), the answers also show a significant link to what has been identified as constituents of Irishness, thus validating the previous observations.

In summary, it can be concluded that the Guinness brand indeed benefits significantly from being associated with its Irish origin. An assessment of its brand identity in Germany, using KAPFERER (1997)'s brand identity prism, can be found in appendix X.

7.1.5 Guinness in the United States

According to THORNTON (2001), world-wide sales of Guinness are booming, in particular in the United States. To better meet the consumer expectations in this market, the company recently introduced the new Guinness Draught bottled beer which should increase sales even further. In terms of communication, a new campaign has been devised, using the caption "Guinness refreshes the spirit" and integrating all the themes "that typically lend themselves to beer commercials: lighter colours, parties and, that crucial ingredient, babes" (THORNTON, 2001). Apparently, Guinness does not intend to make use of origin cues in their US brand strategy, but rather tries to adapt their communication to the expectations in that market – a strategy similar to the one that made Heineken the number one imported beer in the United States (background box 7.1.5.1).

Heineken is one of the most successful international beer brands, being available in more than 170 countries. It was exported to the U.S.A. since the 1930s, giving it a significant first-mover advantage as an "imported" beer (HEINEKEN, 2000a). The brand identity is focussed on "freshness" and being an imported beer, without any specific reference to the brand's Dutch origin, and all commercials are adapted to the cultural characteristics of the market (HEINEKEN, 2000b). RIES and RIES (1999) point out that many American beer drinkers even associate Heineken with the German tradition of brewing. EKWULUGO (2000) argues that the adaptation to different markets has led to significantly ...

(continued on the next page)

... different perceptions of the brand internationally. For example, it is seen as high quality in the United States and in France, while it is seen as a rather cheap beer in Belgium, a market that itself has a long tradition of brewing. Still, Heineken is one of the world's leading beer brands and by far the no.1 imported brand in the U.S.A..

Background box 7.1.5.1: Heineken in the United States

The notion that the mere fact of being “imported” serves as a strong origin cue that may even be more salient than the actual origin itself is an unusual phenomenon. Thus, the questions whether this is limited to the beer market and whether this is a unique U.S. phenomenon would be interesting topics for further research.

7.1.6 Guinness in other parts of the world

In other parts of the world, Guinness is likely to face the challenge of having to first explain what Irishness is all about before being able to make use of these associations. The aforementioned Irish Pub Concept is one of the tools used for this. THORNTON (2001), for example, indicates that Guinness will invest in the opening of ten Irish pubs in Brazil, in an attempt to increase brand exposure and to promote the cultural significance behind the name. DOOLE and LOWE (2001) imply that the same concept is applied in the Asian markets, yet only with a limited penetration so far. They support this argument by pointing out that, including Australia, there were only 52 Irish pubs in the Asia-Pacific region [in 2001]. No data could be found on the use of Irish pubs in Africa, however information published at the Guinness information centre in Dublin indicates that the company's main product in Africa, Asia and the Caribbean is Guinness Foreign Extra Stout, a bottled and carbonated version of stout beer with an above-average alcohol content.

Given the limited usability of origin associations, it is not surprising that Guinness advertising in Asia and Africa does not focus on the company's Irish origin. Instead, it is centred on two icon characters, “Adam King” and “Michael Power” respectively. The Asian hero represents an international photojournalist, sym-

bolising the qualities to be associated with Guinness, a man “with depth, character, charm and substance” (GUINNESS, 2003a). The company’s African commercials are centred on themes with a high relevance to African life, in particular the love of football, getting together with good friends and relaxing after work (GUINNESS, 2003b) which are, however, themes similar to the concept of Irishness. The fact that “Michael Power”, the central character of these campaigns, was conceived by a local brewery, Uganda Breweries Limited, further underscores the observation that Guinness brand communication in those markets is being adapted to meet local expectations (ODOMEL, 2002).

7.2 Transferability of the deductions from the Guinness case

The Guinness example has yielded a number of valuable insights on a market level. First of all, a large proportion of the brand’s success in Europe, particularly in Germany, can be attributed to its strong brand image, to which the element of “Irishness” is an essential constituent. The latter allows the implicit communication of a number of qualities and values to be associated with the brand. However, this is only feasible because there is awareness of these origin associations in the target markets and they are relevant to as well as perceived favourably by the target consumers. This market-level prerequisite for making use of origin associations should definitely be valid for any brand that is supposed to benefit from being linked to its origin.

Guinness’ failure in repositioning the brand in Ireland and the United Kingdom demonstrates that a strong origin linkage may limit the brand’s potential to evolve and to adapt to changing market requirements. This underscores the conclusions drawn in chapter 6.1.6.

The Guinness Irish Pub Concept is an “inspired international marketing tool” (DOOLE & LOWE, 2001, p. 442) that raises awareness of and promotes the cultural significance behind the brand by proving an authentic context for the product. The question whether similar strategies can be used in any product category and for any origin would be an interesting area of further research.

Guinness in Africa and Asia shows the possibility of successfully adapting a brand to meet the expectations in a particular market or region without contradicting the brand’s origin-related proposition in other markets. This is similar to

the basic truth that a brand can have a slightly different positioning in different markets as long as the resulting brand images don't contradict each other. Hence, it should be possible for any brand to benefit from origin associations in some markets while maintaining a comparable image without any reference to the origin in others.

7.3 Chapter summary

Through an in-depth analysis of Guinness' brand management in different parts of the world, this chapter has shown how a company can benefit from associating its brand identity with its origin. Furthermore, a number of general prerequisites and market-level considerations have been identified, the most important of which being

- the need for awareness of the qualities associated with the origin,
- a favourable perception of these qualities in the target market, and
- the difficulty in overcoming established origin associations when attempting to reposition the brand.

Together with the analyses carried out in the previous chapters, this will form the background against which an attempt to conceptualise the origin phenomenon will be made.

8 Conceptualising the origin phenomenon

8.1 The relevance of the origin in international brand management

This investigation into the role of the origin in international brand management has clearly ascertained that origin associations can be a significant force in shaping an international brand identity. Consumers in the majority of markets are likely to have an established set of associations with most origins which a brand can tap by connecting its identity to the place where it is commonly perceived to come from. Thus, the origin serves as a shorthand way to communicate a range of desired associations. Furthermore, these are not based on corporate or brand claims which might be subject to logical scrutiny but on intrinsic consumer knowledge.

While in some cases, the origin may be the defining criterion for a niche in a larger market, it is generally not sufficient as a means of differentiation because a positioning based on the origin alone lacks the possibility of being unique. Thus, other brand characteristics will have to be the distinguishing feature with the origin acting as a strong support that can add credibility to a wide range of claims. Yet, this enhanced credibility comes at a price as the brand will also be subject to changing consumer attitudes towards this origin. The question whether the benefits to be gained from connecting a brand to its origin outweigh the potential adversities obviously has to be answered individually for each brand with regard to its target markets and the overall perception of the origin in these markets.

8.2 The implications of linking a brand to its origin

The various examples that have been examined in the framework of this paper allow the identification of four broad categories of relationships between a brand and its origin, visualised in figure 8.2.1.

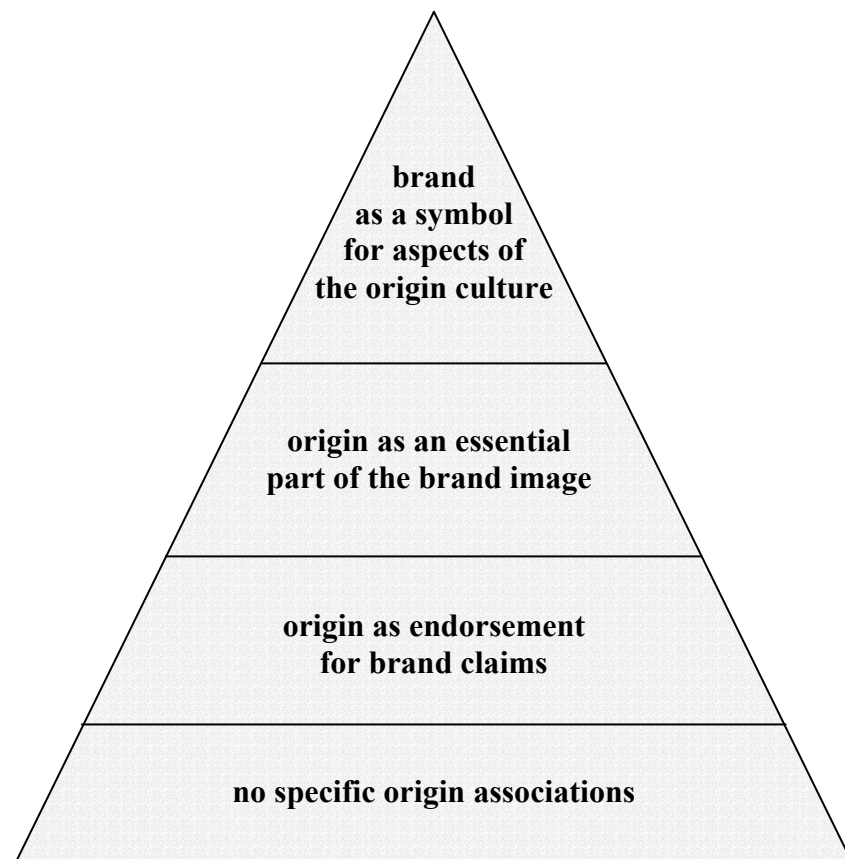


Figure 8.2.1: The relationship between a brand and its origin

The lowest level of integration between a brand and its origin is represented by brands which are not associated with a specific origin at all. These brands are either completely free from origin associations (e.g. Mars, Omo) or they are seen as national brands in the majority of their markets (e.g. Nivea). As a consequence, they are likely to have a high level of acceptance in their respective markets. However, for some of these brands, the possibility of endorsing their central brand claim through the implicit communication of its origin might be an attractive option.

The second level of integration is represented by brands that use origin associations as an endorsement for specific brand claims. This includes brands that use “made in” indications to make a statement about the quality of the respective products as well as brands that are based on a central claim which is implicitly endorsed by the origin (e.g. BMW). A prerequisite for this type of relationship to be successful is that either the origin is seen as a credible source for the type of product concerned or that the brand claim matches an aspect of the overall image of the origin in the target market. While generally this level of integration leads to a strong brand proposition because of the symbiosis between the origin benefit and a meaningful universal brand claim, some brands might consider a closer integration to increase the benefits gained from a favourable perception of the origin in the target market.

Brands which make extensive use of origin associations for their brand image constitute the third level of integration. These brands have embraced either the origin image as a whole or at least one significant aspect of this image and try to transfer the values commonly attributed to this origin onto the brand (e.g. Gauloises Blondes). In order to benefit from the whole portfolio of associations that can be evoked through this linkage, they have to communicate an image which resembles the perception that consumers in their target markets have of the origin. Therefore, it could be attractive for these brands to seek an even more intense integration in order to eventually attain a symbol-like status which is firmly locked in the mind of the consumers.

The highest level of integration is represented by brands which can be considered as a symbol for their origin. For these, the brand name itself already triggers origin associations. Ideally, this integration might even become so close

that consumers already recall these brands when reference to the origin itself is being made (e.g. Guinness in Germany).

Obviously, the “right” degree of integration with its origin is determined by the individual positioning of a brand. Yet, there are a number of aspects to be considered for each level which are summarised in table 8.2.1 on the next page.

type of relationship	origin benefits	communication emphasis	likelihood of scepticism	risk of adverse perception	possibility to dislodge origin associations	impact on origin image
symbol	very high	particular brand values	very low	high	nearly impossible	shapes image
part of brand image	high	origin image	medium	high	difficult	enforces existing image
endorsement	medium	main brand claim	low	medium	possible	substantiates aspects of the origin image
no associations	none	brand values	very low	none	(not applicable)	none

Table 8.2.1: Implications of brand-origin relationships

Naturally, higher levels of integration of a brand with its origin mean that larger benefits can be gained from the relationship. Yet, this linkage also impacts on the way a brand can be communicated. While brands that are free from origin associations can focus on any desirable brand attribute, endorsed brands should maintain a focus on the brand claim that is to be endorsed and at least imply their origin. Brands that define their image based on origin associations evidently have to reflect this in their communication whereas brands that have reached symbol status regain a degree of freedom to develop particular facets of their brand image as origin effects are likely to occur without the origin being emphasised in brand communication. However, they remain limited to aspects which generally comply with the overall origin image.

Moreover, icon brands are unlikely to face any scepticism concerning their origin or any claim based on it, whereas brands that use the origin at the heart of their brand communication are likely to find their origin claim subject to the same logical scrutiny that consumers apply to any other openly stated brand claim. For endorsed brands this is less likely the case as they do not have to rely on explicit origin claims. The only slight scepticism that brands without any origin associations could have to face stems from consumers who feel uncertain about the brand's origin.

Without doubt, the largest danger in associating a brand with its origin lies in becoming subject to shifting perceptions of this origin in other markets. For brands that use an endorsed approach this risk is substantial yet not devastating as their brand identity is not explicitly based on the origin. For the same reason, these brands should be able to dislodge their image from the origin if they stop giving any indication of this relationship. Brands for which the origin forms a central element of the brand identity are highly prone to adverse reactions if the origin is seen less favourably because of their open association with it. Furthermore, it will generally be difficult for these brands to convince consumers that what they explicitly communicated so far is no longer valid if they want to become free from this affiliation. The latter is even more true for brands which have become symbols for their respective origins. Obviously, these brands are also prime candidates for negative reactions when the origin itself falls out of favour with the consumers in their target markets.

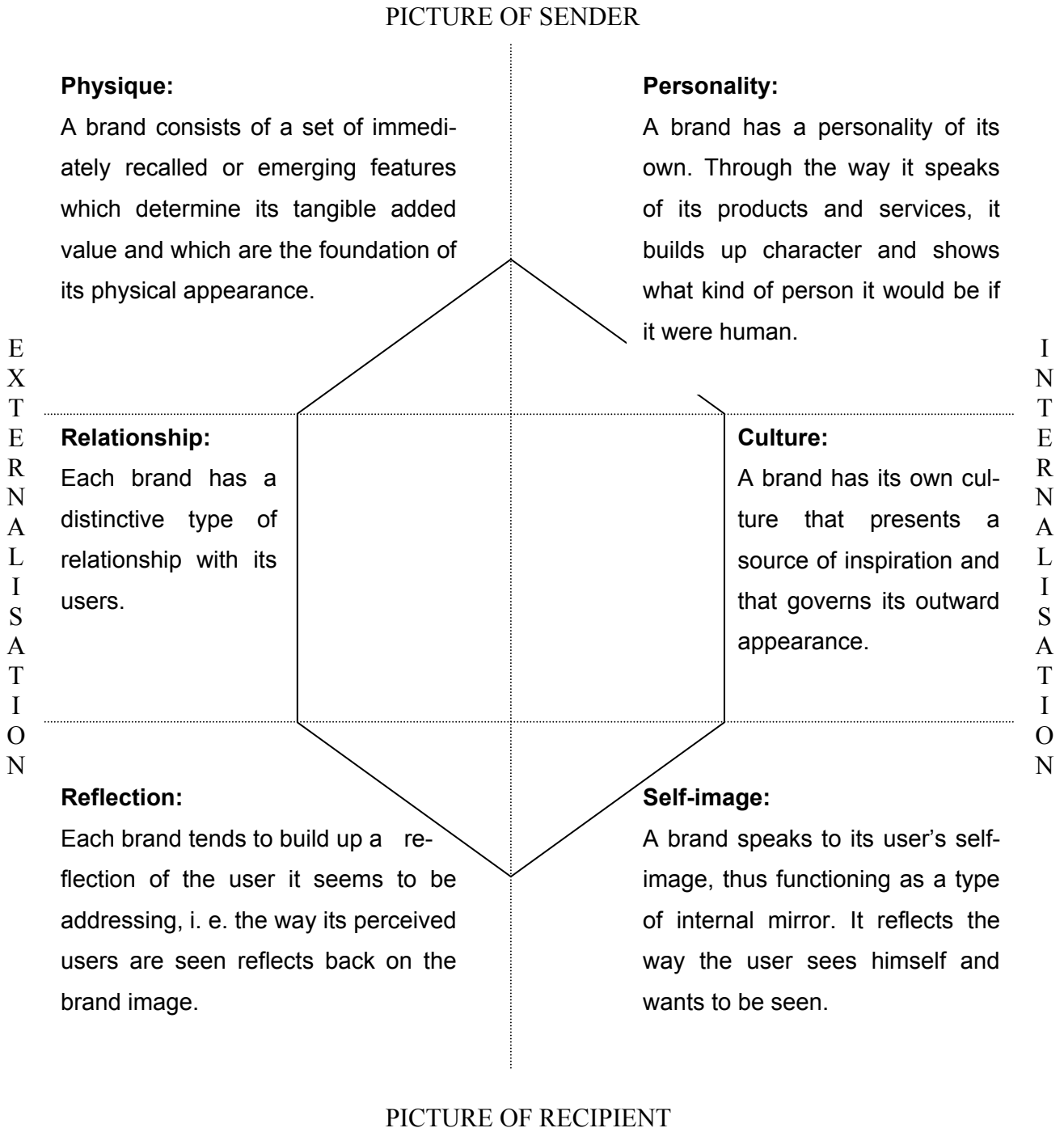
Ultimately, brands that associate themselves with their origin also reflect back on the way this place is perceived. In this respect, endorsed brands substantiate the aspect of the origin image that supports them (e.g. the brand claims of German automobile manufacturers support the image of engineering excellence) while brands whose identities are based on origin associations enforce the existing image as a whole. Finally, those brands that can be considered as symbols for their respective origins have the power to shape the way their origin is perceived and they are likely to determine at least some of the product categories that will be commonly associated with that origin.

8.3 Chapter summary and closing statement

This chapter has demonstrated the relevance of origin associations in international brand management and it has highlighted their potential for shaping a brand's identity. Furthermore, the limitations and risks entailed in such an approach have been exposed and a conceptual approach to the implications of associating a brand with its origin has been presented.

Overall, this paper has shown that origin associations can have a substantial impact on the image of a brand and consequently make a significant contribution to the equity of the brand. In spite of the risks involved, this presents an enormous opportunity which no company that desires to successfully manage its brands on an international scale should ignore!

Appendix I: KAPFERER's Brand Identity Prism



Brand Identity Prism, adapted from KAPFERER (1997), pp. 99-106

Appendix II: Benefits brands offer to companies

KELLER (2003, pp. 9 & 46) highlights that from a company perspective brands

- serve as a means of identification to simplify handling or tracing,
- legally protect unique features of a product or service, and they
- can endow products with unique associations,

leading to

- increased customer loyalty,
- less vulnerability to competitive marketing measures or crises,
- larger margins,
- a more elastic response to price decreases,
- a more inelastic response to price increases,
- greater trade co-operation and support,
- increased marketing communication efficiency and effectiveness,
- possible licensing opportunities, and
- a more favourable evaluation of brand extensions.

Furthermore, ANHOLT (2003) points out that brands allow a company to tap into hidden consumer desires and needs. He argues that

“on the whole, our weakness for the way brands work as badges is not something which we like to admit: it’s rather shaming to acknowledge that we [i.e. consumers] are prepared to buy social status, or that we are foolish enough to spend more than necessary on a product which simply makes us feel or look a little better. Most of us would rather not confess how well our favourite brands pander to our weaker side, how intimately they know our secret vanities: we acknowledge them by buying them, but if asked directly, we may deny all knowledge of our real motivations.” (ANHOLT, 2003, p. 4)

Appendix III: Benefits brands offer to consumers

KAPFERER (1997, p. 30) provides a comprehensive list of benefits that brands offer to consumers. He points out that brands

- permit the quick identification of sought-after products,
- allow savings of time and energy through identical repurchasing and loyalty,
- guarantee finding the same quality no matter where or when a product or service is bought,
- ensure the consumer that the best product in its category or the best performer for a particular purpose is bought,
- confirm the self-image of the user and the image that is presented to others,
- bring contentment through the familiarity and intimacy with a brand that has been consumed for years,
- convey satisfaction linked to the attractiveness of the brand, to its logo, to its communication, and possibly
- bring appreciation linked to the responsible behaviour of the brand in its relationship with society (ecology, employment, citizenship, advertising which doesn't shock).

Moreover, ANHOLT (2003, p. 3) adds that brands

- represent a promise to deliver the expected quality,
- are an open invitation to complain if expectations are not met,
- generally ensure that dissatisfaction will be remedied, and they
- provide a means of assessing product quality in fields where the consumer lacks the knowledge on which to base an objective judgement.

Appendix IV: Statistics on global brand standardisation

Brand standardisation tendency and product category		
	Keep local freedom (%)	Push towards standardisation and globalisation (%)
Services	31	69
Textiles	30.5	56.5
Food	23.5	70.5
Beverages	16	84
Business-to-business	16	75
Luxury	16	76
Cars	15	85
Drugs	-	85.5
Hi-fi video	-	85.5
Home appliances	-	92
Cosmetics/hygiene	-	96

Source: DE MOON (1994), p. 101

Which facets of the brand mix are most often globalised ?	
	%
Logotype, trademark	93
Brand name	81
Product features	67
Packaging	53
After-sales service	48
Distribution channels	46
Sponsoring (arts)	32
Sponsoring (sports)	29
Advertising positioning	29
Advertising execution	25
Relative pricing	24
Direct marketing	18
Sales promotion	10

Source: KAPFERER (1997), p. 365

Appendix V: Scenarios used in the consumer survey

- universal scenarios:

It is a relatively well-known fact that Smirnoff vodka is produced mainly in Warrington (US). Would you say that it is nevertheless a typical Russian product?

Viennetta is a fairly successful, upscale ice cream product. Would you say that its excellent image is strongly related to the tradition of Italian ice cream making?

- Germany-specific scenarios:

Let's assume a new model of the British automobile brand "Rover" is developed and manufactured in Germany, using German engineers and workers. In your opinion, would that make it a German car?

(translated from German)

The "Deutsche Bank" has been thinking about moving its corporate headquarters to London or New York. If these plans became reality, would you still see this financial institution as being German?

(translated from German)

- Ireland-specific scenarios:

Let's assume a new Volkswagen model is developed and manufactured in Ireland, using Irish engineers and workers. In your opinion, would that make it an Irish car?

The management decisions for Guinness are already being taken at the corporate headquarters in London. If the company decided to move its production to the UK as well, would you say that Guinness remains an Irish beer?

- United Kingdom-specific scenarios:

Let's assume a new Volkswagen model is developed and manufactured in the UK, using British engineers and workers. In your opinion, would that make it a British car?

Since its acquisition by BMW, the management decisions for the Mini (Rover) have been taken in Germany. If the company decided to move its production to Germany as well, would you say that the Mini remained a British car?

Appendix VI: Hypotheses used in the expert survey

Based on feedback from the initial respondents, the wording of five of the seven hypotheses was changed in order to eliminate confusion about their meaning. However, this did not change their respective content. The only change in the responses that were received was a reduction in the number of people who commented that they were not sure about the significance of the hypothesis in question. Subsequently, both versions of each altered hypothesis will be given.

“It is not possible for a brand to be completely free from origin associations.”

(remained unchanged)

“A brand can only benefit from being linked to its origin if this origin is perceived to have a natural superiority / high quality in the respective product category.”

was changed to

“A brand can only benefit from being linked to its origin if this origin has an established reputation (e.g. high quality) in the respective product category.”

“Only one brand per product category can benefit from the same origin cue as it will set the standard for what ‘authentic’ products from this origin are like.”

was changed to

“For each origin, only one brand per product category can benefit from being associated with this origin.”

“A brand can be associated with dissimilar origins in different markets. (e.g. being seen as a ‘national’ brand or being seen as Irish in some and as British in other markets)”

was changed to

“It is possible that consumers in different markets associate a brand with different origins.”

“In some markets, consumers may not have a distinctive idea/perception about a particular origin. In these markets, the effort required to establish a brand image linked to its origin is considerably higher than for a ‘normal’ brand.”

was changed to

“In some markets, consumers may not have distinctive associations with a particular origin. In these markets, the effort required to establish a brand image based on origin associations is considerably higher than for an ‘origin-free’ brand image.”

“An intricate link between the origin image and the brand image can be a hindrance in case the brand needs to be repositioned.”

(remained unchanged)

“Adopting a false origin (e.g. promoting an Italian image when the company and its products are German) exposes a brand to a considerable threat of competitive counter-attacks.”

was changed to

“The attempt to associate a brand with a ‘false’ origin (e.g. promoting an Italian image when the company and its products are German) increases the threat of competitive attacks on the brand.”

Appendix VII: The development of the Smirnoff brand

The origins of Smirnoff can be traced back to the early 19th century, when the Smirnov family established a wine and vodka business in Moscow. By 1886, the company had become purveyor to the Imperial Russian Court, yet in the wake of the 1914 revolution it was confiscated by the Bolsheviks and the brand disappeared (KNOBIL, 2001). After a failed attempt to establish a vodka business in France and Poland under the European version of the family name – “Smirnoff” – Vladimir Smirnov, one of the sons of the founder, took the business to the United States where it was acquired by the Heublein company in 1939 who then promoted it aggressively. The brand eventually became market leader in the United States and in 1987 it was taken over by Grand Metropolitan [which now forms part of Diageo Plc.] (HANKINSON & COWKING, 1996). Nowadays, Smirnoff is the second best selling spirits brand in the world, being available in 150 countries (KNOBIL, 2001).

According to AAKER (2002), Smirnoff's communication has been inconsistent over time, leading to number of changes in the positioning and the brand identity. However, none of the campaigns that had been devised played on the brand's supposed Russian origins, these were only implied through the name and the insignia displayed on the bottles. Instead, the campaigns tried to meet emerging public trends which made it unclear what the brand actually stands for. Yet, AAKER (2002) assumes that this trend that will be stopped by the most recent campaigns that were developed to work on a global scale.

Appendix VIII: Exemplary advertising for Gauloises Blondes



Source: ETONSA (2003)

Appendix IX: How Ireland is reflected in Kerrygold's communication



Kerrygold packaging around the world, LOYEZ-WOESSEN (2003)



Close-up: Kerrygold Pure Irish Butter, KERRYGOLD (2003)

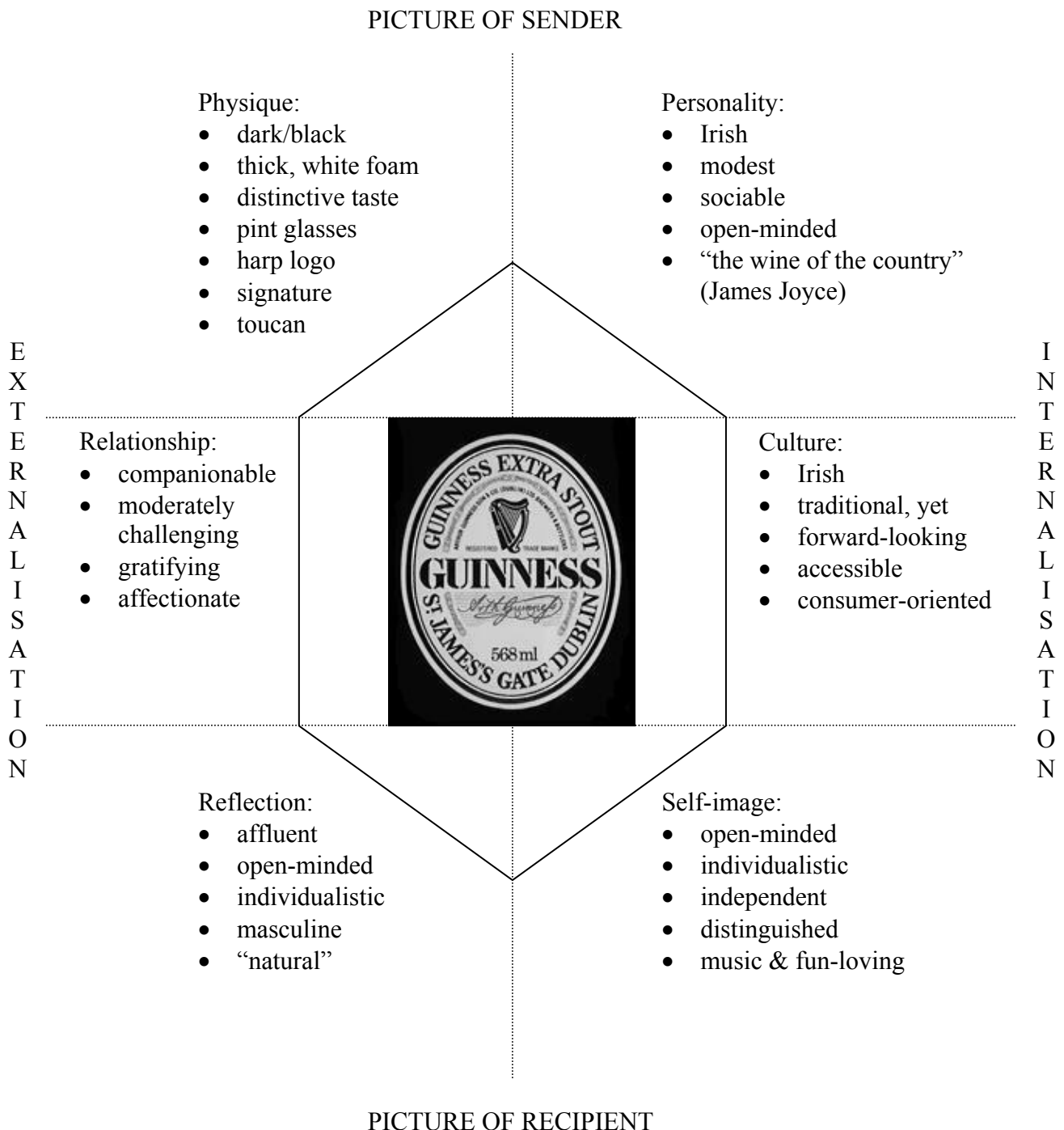


A sample Kerrygold advertising, INTERBRAND (1990), p. 251



Starting page of Kerrygold's corporate web-site at <http://www.kerrygold.com/uk/>

Appendix X: Brand Identity Prism for Guinness in Germany



Brand Identity Prism for Guinness in Germany, based on KAPFERER (1997), p. 100

References

- AAKER, D. A. (1991)** *Managing Brand Equity – Capitalizing on the Value of a Brand Name*. New York, The Free Press
- AAKER, D. A. (2002)** *Building Strong Brands*. London, Simon & Schuster UK Ltd
- AAKER, D. A. & JOACHIMSTHALER, E. (2000)** *Brand Leadership*. New York, The Free Press
- AGRAWAL, J. & KAMAKURA, W. A. (1999)** Country of origin: A competitive advantage? *International Journal of Research in Marketing*. No. 16 (1999), pp. 255-267
- AHMED, Z. U., FANG, T. W., HUI, A. K., JOHNSON, J. P. AND LING, C. P. (2002)** Country-of-origin and brand effects on consumers' evaluations of cruise lines. *International Marketing Review*, Vol. 19, No. 3, pp. 279-302
- ANHOLT, S. (2003)** *Brand New Justice: The upside of global branding*. Oxford, Butterworth-Heinemann
- BANKS, H. (1996)** We'll provide the shillelaghs. (Guinness PLC and the growing popularity of Irish pubs) (Company profile) *Forbes*. April 8, 1996, Vol. 157, No. 7, p. 68
- BIER FÜR MÄNNER MIT ZEITGEIST (1999)** *Werben & Verkaufen*. March 5, 1999, München, Europa-Fachpresse-Verlag GmbH & Co. KG
- BOONE, L. E. & KURTZ, D. L. (2002)** *Contemporary Marketing*. Orlando, Harcourt College Publishers
- BRADLEY, F. (2002)** *International Marketing Strategy*. 4th Edition, Harlow, Pearson Education Limited
- BURMANN, C. (2003)** unpublished research results of the Department of Innovative Brand Management at the University of Bremen, Germany

- BLINDA, L. (2003)** *Relevanz der Markenherkunft für die identitätsbasierte Markenführung*. Working paper no. 2 of the chair of innovative Brand Management at the University of Bremen, Germany (Publisher: Burmann, Ch.), Bremen 2003.
- CATEORA, P. R. & GRAHAM, J. L. (2002)** *International Marketing* (International Edition). 11th Edition, New York, McGraw-Hill
- CLIFTON, R. & MAUGHAN, E. ED. (2000)** *The Future of Brands – Twenty-five visions*. Houndmills, Macmillan Press Ltd
- COLLINS, L. (1992)** The Psychology of Names. In: Murphy, J. M. *Branding: A Key Marketing Tool*. 2nd Edition, Houndmills, Macmillan Academic and Professional Ltd
- COMPANY CV: GUINNESS UDV (2001)** *Marketing*, August 9, 2001, p. 58, Haymarket Publishing Ltd.
- D’ASTOUS, A. & AHMED, S. A. (1999)** The importance of country images in the formation of consumer product perceptions. *International Marketing Review*, Vol. 16, No. 2, pp. 108-125
- DE MOOIJ, M. (1994)** *Advertising Worldwide – Concepts, theories and practice of international, multinational and global advertising*. 2nd Edition, Hemel Hempstead, Prentice Hall Europe
- DE MOOIJ, M. (1998)** *Global Marketing and Advertising – Understanding Cultural Paradoxes*. Thousand Oaks, Sage Publications, Inc.
- DIAGEO (2002A)** *Annual Report and Accounts 2002*. [Internet] Available as download from: <http://www.diageo.com> [Accessed 17 December, 2002]
- DIAGEO (2002B)** *Annual Review 2002*. [Internet] Available as download from: <http://www.diageo.com> [Accessed 17 December, 2002]
- DOOLE, I. & LOWE, R. (2001)** *International Marketing Strategy*. 3rd Edition, London, Thomson Learning

- DOWLING, G. (2001)** *Creating Corporate Reputations – Identity, Image, and Performance*. New York, Oxford University Press
- EAST, R. (1997)** *Consumer Behaviour: Advances and Applications in Marketing*. Harlow, Prentice Hall Europe
- EKWULUGO, F. (2000)** The Role of Packaging and Branding in International Marketing Communications. In: Monye, S. O. *The Handbook of International Marketing Communications*. Oxford, Blackwell Publishers Ltd
- ELLWOOD, I. (2002)** *The Essential Brand Book – Over 100 techniques to increase brand value*. 2nd Edition, London, Kogan Page Limited
- ETONSA (2003)** Teaching resources on cigarette advertising. *The English Teachers' Online Network of South Africa*. [Internet] Available at: <http://www.geocities.com/CollegePark/Campus/2159/adverts.htm#gaul> [Accessed 28 April, 2003]
- EUROMONITOR (2002)** *Company Profile: Diageo Plc*. [Internet] Available from: <http://www.euromonitor.com> [Accessed 15 December, 2002]
- GREGORY, J. R. & WIECHMANN, J. G. (2002)** *Branding across borders: a guide to global brand marketing*. New York, McGraw-Hill
- GROSE, T. K. (2001)** Erin go lager. *U.S. News & World Report*. [Internet] Available from: <http://web3.infotrac.galegroup.com> [Accessed 17 December, 2002]
- GUINNESS (2003A)** *Adam King – The story of the ad*. [Internet] Available at: http://www.guinness.com/guinness/en_ZZ/seeing/ads/ad/0,6438,125540_125889,00.html [Accessed 18 April, 2003]
- GUINNESS (2003B)** *After Work – The story of the ad*. [Internet] Available at: http://www.guinness.com/guinness/en_ZZ/seeing/ads/ad/0,6438,125540_125880,00.html [Accessed 18 April, 2003]

- HANKINSON, G. & COWKING, P. (1996)** *The Reality of Global Brands: Cases and strategies for the successful management of international brands*. Maidenhead, McGraw-Hill Publishing Company
- HOOLEY, G. (1982)** Arthur Guinness Son & Co. Ltd. In: Doyle, P. and Hart, N. A., *Case Studies in International Marketing*. London, Heinemann Professional Publishing Ltd
- HEINEKEN (2000A)** *Heineken Export Group*. [Internet] Heineken NV Corporate Communication, February 2000, Available from: <http://www.heinekencorp.com> [Accessed March 2002]
- HEINEKEN (2000B)** *Heineken's Brands and Marketing Strategies*. [Internet] Heineken NV Corporate Communication, September 2000, Available from: <http://www.heinekencorp.com> [Accessed March 2002]
- INTERBRAND (1990)** *Brands – An international review by Interbrand*. London, Gold Arrow Publications Ltd
- JAFFE, E. D. & NEBENZAHL, I. D. (2001)** *National Image & Competitive Advantage – The Theory and Practice of Country-of-Origin Effect*. Copenhagen, Copenhagen Business School Press
- KAPFERER, J.-N. (1997)** *Strategic Brand Management – Creating and Sustaining Brand Equity Long Term*. 2nd Edition, London, Kogan Page Limited
- KELLER, K. L. (2003)** *Strategic Brand Management – Building, Measuring, and Managing Brand Equity*. (International Edition) 2nd Edition, New Jersey, Pearson Education International
- KELLY, T. (1999)** Guinness Ireland: Broadening the Brand Franchise without Destroying the Mystique. In: Gilmore, F., *Brand Warriors – Corporate Leaders Share their Winning Strategies*. London, Harper Collins Publishers
- KERRYGOLD (2003)** *Our products – Kerrygold Pure Irish Butter*. [Internet] Available at: http://www.kerrygold.com/uk/irish_b2.htm [Accessed 17 April, 2003]

- KNOBIL, M. ED. (2001)** *Superbrands – An insight into 100 of Britain’s strongest brands*. London, Superbrands Ltd
- KOTLER, P. (2003)** *Marketing Management* (International Edition). 11th Edition, New Jersey, Pearson Education International
- LIM, K. AND O’CASS, A. (2001)** Consumer brand classifications: an assessment of culture-of-origin versus country-of-origin. *Journal of Product & Brand Management*, Vol. 10, No. 2, pp. 120-136
- LOEFFLER, M. (2001)** A multinational examination of the “(non-) domestic product” effect. *International Marketing Review*, Vol. 9, No. 5, pp. 482-498
- LOYEZ-WOESSEN (2003)** *Products - Kerrygold* [Internet] Available at: <http://www.loyezwoessen.com/butter/prodker.html> [Accessed 17 April, 2003]
- MACRAE, C. (1991)** *World Class Brands*. Wokingham, Addison-Weasley Publishers Ltd
- MEFFERT, H. & BURMANN, C. (1996)** *Identitätsorientierte Markenführung – Grundlagen für das Management von Markenportfolios*. Working paper no. 100 of the Wissenschaftliche Gesellschaft für Marketing und Unternehmensführung e.V., Münster, Germany
- MITTEAUX, V. (2003)** “Ce qui nous différencie, c’est de la qualité à un prix abordable” (Interview with Alain de Cordemoy) *Marketing magazine*, No. 76, January 2003, pp. 32-34
- MÜHLBACHER, H., DAHRINGER, L. & LEIHS, H. (1999)** *International Marketing – A global perspective*. 2nd Edition, London, International Thomson Business Press
- NEBENZAHL, I. D. & JAFFE, E. D. (1996)** Measuring the joint effect of brand and country image in consumer evaluation of global products. *International Marketing Review*, Vol. 13, No. 4, pp. 5-22
- ODOMEL, M. (2002)** “Michael Power” Reinvents Guinness Brand. *Africa News Service*, February 11, 2002 [Internet] Available from: <http://www.comtexnews.com>

- POPE, J. CULLWICK, D. & KENNELLY, J. (1998)** Commodity Branding. In: Hart, S. & Murphy, J. ed. *Brands – The new wealth creators*. Houndmills, Macmillan Press Ltd
- RIES, A. & RIES, L. (1999)** *The 22 Immutable Laws of Branding*. London, HarperCollins Publishers
- ROGERS, D. (2002)** Has Guinness missed the point of its pints? *Marketing*, March 14, 2002, p. 15, Haymarket Publishing Ltd.
- ROTH, M. S. & ROMEO, J. B. (1995)** Matching Product Category and Country Image Perceptions: a Framework for Managing Country-of-Origin Effects. In: Czinkota, M. R. & Ronkainen, I. A. ed. *Readings in Global Marketing*. London, The Dryden Press
- SCHMITT & SIMONSEN (1997)** *Marketing Aesthetics – The Strategic Management of Brands, Identity, and Image*. New York, The Free Press
- SHIMP, T. A. (2000)** *Advertising, Promotion, and Supplemental Aspects of Integrated Marketing Communications*. 5th Edition, Orlando, Harcourt College Publishers
- THAKOR, M. V. & KOHLI, C. S. (1996)** Brand origin: conceptualization and review. *Journal of Consumer Marketing*, Vol. 13, No. 3, pp. 27-42
- THORNTON, N. (2001)** *Globalized Guinness Draws Half Pint at Home*. [Internet] Available from: <http://www.brandchannel.com> [Accessed 15 December, 2002]
- TONER, N. (2002)** Guinness hurls itself back on track. *Sunday Times*. October 13, 2002, London, Times Newspapers Ltd
- UNILEVER (2003)** *Wall's Viennetta*. [Internet] Available at: http://www.unilever.co.uk/ourbrands/brand_viennetta.html [Accessed 24 April, 2003]
- USUNIER, J.-C. (2000)** *Marketing Across Cultures*. 3rd Edition, Harlow, Pearson Education Limited

**Stiftungslehrstuhl für Allgemeine Betriebswirtschaftslehre,
insbesondere innovatives Markenmanagement (LiM®)**

Arbeits- und Dokumentationspapiere

Die Arbeits-/Dokumentationspapiere des Lehrstuhls für innovatives Markenmanagement (LiM®) erscheinen in unregelmäßigen Abständen. Bisher sind erschienen:

- Nr.1 **Christoph Burmann / Lars Blinda / Axel Nitschke (2003)**
Konzeptionelle Grundlagen des identitätsbasierten Markenmanagements
- Nr.2 **Lars Blinda (2003)**
Relevanz der Markenherkunft für die identitätsbasierte Markenführung
- Nr.3 **Christoph Burmann / Stefan Hundacker (2003)**
Customer Equity Management - Modellkonzeption zur wertorientierten Gestaltung des Beziehungsmarketings
- Nr.4 **Christoph Burmann / Stefan Hundacker (2003)**
Customer Equity Management bei kontinuierlichen Dienstleistungen – Eine empirische Anwendung
- Nr. 5 **Nina Dunker (2003)**
Merchandising als Instrument der Markenführung - Ausgestaltungsformen und Wirkungen
- Nr.6 **Jan-Hendrik Strenzke (2003)**
The role of the origin in international brand management

Stiftungslehrstuhl für ABWL, insbesondere **innovatives** Markenmanagement (LiM®)
Universität Bremen, Fachbereich Wirtschaftswissenschaft, Hochschulring 4, 28359 Bremen
Hrsg.: Prof. Dr. Christoph Burmann, Tel. +49 (0)421 / 218-7554 - Fax +49 (0)421 / 218-8646
E-mail: info-lim@uni-bremen.de
<http://www.lim.uni-bremen.de>
