

Mediating Role of Micro Country Image on Purchase Intention
by Product Category and by Country

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Background and Research Purpose: Country image is multi-dimensional and one classification of its dimension is macro and micro country image (Pappu, Quester, & Cooksey, 2007). Macro country image is related to consumers' total beliefs of a country measured by the country's economic, political and technological aspects (Martin & Eroglu, 1993), while micro country image is beliefs toward the *products* from a country (Pappu et. al., 2007). According to cue theory, like brand name and price, country image serves as an external cue for consumers to infer product quality when other information is lacking (Bilkey & Nes, 1982).

Previous studies suggest that macro and micro country images were highly correlated (Pappu et. al., 2007), however, how each impacts on the other is limitedly explained. Based on the notion that consumers characterize macro country image at a higher level and micro country image as a lower level mental schema (Magnusson et al., 2014), this study posits a mediating role of micro country image. That is, macro country image impacts on micro country image, which results in purchase intention. Further, since micro country image is product-specific (Pappu et al., 2007) and a country's image for a particular product category differs, such mediating role of micro country image will vary by product and country. The purpose of this study is to examine the mediating role of micro country image on the relationship between macro country image and Saudi consumers' purchase intention of two product categories (symbolic vs. functional). Saudi consumers were chosen in this study given the country's significant growth potential in the Middle East. Four countries (US, Italy, Korea and Malaysia) were chosen to examine the country effect. Cell phone is an industry where new products come fast and furious, and brand perceptions are typically driven by the innovativeness of the firm's most recent products, while handbag is a product category where quality is ephemeral (Kumar & Steenkamp, 2013). Therefore, handbag was chosen for symbolic category and cell phone, for functional category.

Hypotheses: Product category influence: In symbolic categories (e.g., handbags), brand image primarily drives product quality while specific functions are more critical in evaluating functional products (e.g., cell phones) (Kumar & Steenkamp, 2013). Since micro country image is product-specific image for a country, the mediating effect will be stronger in functional goods. Based on this, *H1. The mediating role of micro country image on the relationship between macro country image and purchase intention will be different by product category.*

Country moderating effect: Micro country image is product-specific; thus, the mediating role of micro image will be stronger in a country where country-product match is high (Usunier &

Cestre, 2007). Based on this, H2. *The mediating role of micro country image on the relationship between macro country image and purchase intention will be different by country.*

Method: Data were collected from shoppers older than 20 years of age at several shopping malls in Riyadh, Saudi Arabia via a mall intercept method over a three-month period. Among the total of 550 questionnaires were administered, 496 completed samples (Korea 138, Malaysia 124, Italy 119, USA 115) were analyzed. The measurement items for this study were developed based on prior research studies.

Results: Findings revealed that the mediating role of micro country image varied by product category; thus, H1 is supported. Mediation effect was found in cell phone. However, in handbags, both macro and micro country images impacted on purchase intention; thus, mediation effect was partial (Sobel test results: Hand bag: $z=2.33^*$; Cell phone: $z=6.50^{***}$). Mediation tests by country confirmed that the mediating role of micro country image varied by country, so H2 was also supported. In handbags, the mediation effect of micro country image was only found in Italy (Sobel test result: $z=4.43^{**}$), and only macro country image, not micro image, impacted on the other three countries. In case of cell phones, in all countries except in Malaysia, micro country image mediated the relationship between macro country image and purchase intention.

Discussion and Implications: The findings provide evidence to the literature that consumers' mental schema around macro and micro country image is not the same across products and across countries. In functional goods, macro country image was found to influence on purchase intention indirectly via micro country image. In contrast, in symbolic goods, macro country image was found to influence on purchase intention directly and also indirectly via micro country image. Further, in a country where country-product match is high (e.g., Italy-Handbag), macro image only impacted on purchase intention via micro country image. These findings collectively suggest that product category as well as country should be considered to develop more convincing marketing messages. From a broad perspective, this research contributes to the literature by providing managerial insights to companies exporting their products. .

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