How important is country-of-origin for organic food consumers?
A review of the literature and suggestions for future research

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Abstract
Purpose – The purpose of this paper is to review the literature on the country-of-origin (COO) effect in the context of organic food and develop suggestions for further research in this area. Research has investigated COO effects and consumer responses to organic food, but there is little research on the combination of the two.

Design/methodology/approach – A narrative review of two research streams and their intersection, forming the basis for the development of a research agenda.

Findings – There are few studies analysing the possible interaction between the effects of organic and COO on consumers’ food preferences and choices. In general, COO seems to lose impact when other quality cues are salient. This suggests a lower impact of COO for organic than for conventional food products. However, there is still no research on the possible impact of organic labelling in categories where products from a foreign country are able to demand a premium, and little is known about consumer preferences for different import countries regarding organic food. Six potential future research directions are suggested.

Research limitations/implications – There is a need for research that more systematically investigates the possible interactions between COO and organic labelling on consumers’ food product preferences and choices. A research agenda is suggested as a starting point.

Originality/value – This literature review highlights the lack of research on the interaction between COO effects and consumer responses to organic food. The literature review creates a basis for future research and a possible research agenda is suggested.

Keywords Organic foods, Country-of-origin, Consumer perception

Paper type Literature review

1. Introduction
Over the last decade, the organic food sector has been one of the fastest growing segments in the global food market (Sahota, 2015). In 2014, global retail sales of organic food and drink amounted to 80 billion US dollars, which is a fivefold increase in turnover since 1999 (Sahota, 2015). In many countries, the demand for organic food is growing substantially faster than domestic production and supply. This supply deficit has led to high import shares for many organic food products (Willer and Schaack, 2015). Consequently, domestic consumers are presented with a variety of organic products from foreign country-of-origins (COOs), and presumably consider and develop preferences based (also) on this characteristic.

A substantial stream of research has investigated the role of COO in shaping consumers’ perceptions, preferences and purchase behaviour (Newman et al., 2014). The impact of COO on consumer choices is one of the oldest and most extensively researched topics in global marketing and consumer behaviour, and a wide range of contingencies and moderators of COO effects has been identified (Pharr, 2005; Verlegh and Steenkamp, 1999). The key role of consumer demand for the development of the organic market has also given rise to a growing literature (Aschemann-Witzel and Zielke, 2015; Hemmerling et al., 2015;
Hughner et al., 2007; Rödiger and Hamm, 2015). Although there are many studies of consumer preferences for COO on the one hand and organic food on the other, research on COO effects in the context of organic food is scarce (Xie et al., 2015). More specifically, there is a lack of research on how consumers evaluate imported organic food products. In order to stimulate this kind of research, this paper presents a review of the literatures on consumers’ decision making regarding COO effects and regarding organic food products, particularly focussing on the yet scarce combination of the two, and develops recommendations for future research in the intersection between the two issues.

2. Method

Databases such as Organic Eprints, ScienceDirect, Business Source Complete and Web of Science were searched for the terms “organic” and “country-of-origin”, focussing especially on research from the past 20 years. Furthermore, we consulted the reference lists of relevant articles and used Google Scholar to search for more recent publications citing key publications. As the purpose of this literature review was to recap the findings of two research streams and with a particular focus on including the first studies connecting both, the current review should be considered a narrative review (Booth et al., 2016).

3. COO effects

3.1 Basic constructs

The role of COO in shaping consumers’ perceptions, preferences and buying behaviour is one of the oldest and most widely researched topics in the global marketing and consumer behaviour literature (Dekhili and Achabou, 2014; Peterson and Jolibert, 1995), resulting in a vast number of publications (Papadopoulos, 2012; Usunier, 2006). According to a comprehensive review of this research, the “seemingly unequivocal conclusion” is that “a product’s country-of-origin can influence consumers’ evaluative judgements of the product” (Pharr, 2005). In addition, research has identified culturally derived antecedents of COO effects as well as “a number of […] both product-based and individual consumer factors” moderating these effects (Pharr, 2005, p. 41).

Insch and Florek (2009) suggest three main reasons to account for COO information on product labels and packaging. First, COO may serve as a quality indicator for a product. Second, place references may appeal to consumers, who developed a preference for products from a particular origin based on various psychological concepts like consumer ethnocentrism, self-image and status. Third, a country’s positive image may be used to emphasize positive links between the product and its origin. In particular, research has found a higher willingness to buy a product from a specific country if there is congruence between the product category and the country image (Roth and Romeo, 1992). In addition, the country image associated with a COO has been suggested to provide a source of sustainable competitive advantage through providing a differentiated product offering at export markets (Baker and Ballington, 2002).

Strategies to communicate a company’s or a product’s COO to consumers range from unregulated COO strategies like the use of flags, symbols, typical landscapes or buildings on packaging and in advertisement, to legally regulated strategies like the communication of a “Made in […]” statement or geographically based quality labels like the European Union’s Protected Designation of Origin indication (Aichner, 2014). These legally regulated strategies are particularly relevant for food products, since there are mandatory origin-labelling requirements both in the USA and within the EU for a wide variety of food products (European Commission, 2015; Newman et al., 2014; USDA Foreign Agricultural Service, 2014). For products carrying the European organic label, the origin of the raw materials must be indicated by stating either “EU Agriculture”, “non-EU Agriculture” or “EU/non-EU Agriculture”. The former two indications may be replaced or supplemented by
a country in case all agricultural raw materials of which the product is composed have been farmed in that country (Council Regulation (EC) No. 834/2007, 2007). Such rules may over time impact consumer familiarity with on product information about organic and COO, and also consumer behaviour.

The emergence of hybrid products, with more than one COO, has diluted the accuracy and validity of COO labels, making it increasingly difficult for consumers to comprehend a product's COO. In response to such developments, recent studies have disassembled the COO construct into, e.g., country-of-design, country-of-assembly, country-of-party, country-of-brand in addition to country-of-manufacture (Aichner, 2014; Pharr, 2005). However, for the purpose of this paper the following comprehensive definition of COO effects will do: “any influence or bias on product evaluation, risk perception, buying intention, etc. resulting from COO information” (Herz and Diamantopoulos, 2013).

3.2 Cognitive processes underlying COO effects
Most COO research has studied COO effects from an information processing perspective; that is, the cognitive processes through which consumers use COO cues to make inferences about quality and other attributes of a product or brand (Chattalas et al., 2008; Verlegh and Steenkamp, 1999). COO is regarded an extrinsic cue to quality, like, for example, the price, brand and store reputation. According to cue utilization theory, consumers rely more heavily on extrinsic cues when intrinsic cues are difficult to judge or assess, or consumer expertise is low (Maheswaran, 1994; Zeithaml et al., 1988). This is especially the case for low-involvement products, where the costs of searching and evaluating intrinsic cues to aid product evaluation and purchase decisions may exceed the benefits (Zeithaml et al., 1988). Consistent with this low-effort hypothesis, research involving multi-cue studies has found that if COO is presented in combination with other extrinsic quality cues, the importance of COO in product evaluation is reduced (Agrawal and Kamakura, 1999; Johansson et al., 1985).

More specifically, Maheswaran (1994) suggests that COO affects the evaluative judgements of a product through a stereotyping process, which consumers employ to predict the likelihood that a product from a particular origin has certain features. Ahmed et al. (2004) propose three ways how this stereotyping process affects product evaluation. First, if consumers have prior perceptions of the general quality of products from a particular COO, the COO cue can be employed as a signal to infer evaluations of other cues and thus the overall product. Second, as mentioned before, the COO can be used as independent cue in combination with other cues. Third, the COO can function as a heuristic to simplify the production evaluation process, if consumers disregard other available cues.

A broad stream of research also suggests that COO may affect product evaluation and subsequent intentions and behaviours not only directly, but also indirectly through beliefs (Erickson et al., 1984; Han, 1989; Hong and Wyer, 1989). Thus, two distinct effects or functions derived from COO information can be identified. First, if consumers are not familiar with a product, the country image associated with a COO can act as “halo” from which consumers infer product attributes. That is, the country image triggers positive or negative feelings and this so-called “halo effect” indirectly affects overall product evaluation through beliefs. Alternatively, as consumers become familiar with a country’s products, the “summary construct” sets in and directly affects product evaluation. In this case, country image may become a construct that summarizes consumers’ beliefs about product attributes (Han, 1989; Hong and Wyer, 1989).

3.3 A comprehensive view of COO effects
Based on a systematic review of research on COO evaluations, Pharr (2005) concludes that “COO evaluations have little or no direct influence on purchase intentions”. Rather, a more holistic brand evaluation, captured by constructs such as brand image or brand equity,
mediates COO effects on product evaluations and ultimately on purchase intentions. Furthermore, the impact of COO on consumers’ product evaluations and choices has been found to be moderated by a range of product related and individual consumer variables. COO evaluations may not only emerge from country-specific beliefs or cognitions, but also from country-specific affect (Gürhan-Canli and Maheswaran, 2000), that is, emotions and feelings towards a country. In addition, structural characteristics of a country can affect COO evaluations, such as the country’s level of economic development.

3.3.1 Antecedents of COO effects. One of the most researched antecedents is consumers’ ethnocentrism (Chattalas et al., 2008). Shimp and Sharma (1987), define consumer ethnocentrism as “the beliefs held by […] consumers about the appropriateness, indeed morality, of purchasing foreign-made products”. Highly ethnocentric consumers systematically prefer domestic over imported products as the purchase of the latter may be perceived as unpatriotic or socially undesirable, e.g., due to adverse effects on the domestic economy (Ahmed et al., 2004; Shimp and Sharma, 1987).

Closely linked to the preference for domestic products, multiple-countries studies have found a significant impact of the country’s cultural orientation on COO effects (Heslop and Papadopoulos, 1993; Narayana, 1981). In a study of American vs Japanese consumers, Gürhan-Canli and Maheswaran (2000) found that collectivist cultures have a tendency to consistently favour a domestic over a foreign product, regardless of its superiority. In contrast, respondents from an individualistic culture, such as the USA, evaluated a domestic product more favourable only if it was indeed superior to competition.

Similar patterns emerge from a country’s level of economic development. Numerous studies have found that consumers living in developed countries favour domestic over foreign products. The opposite is sometimes found in developing countries (Agbonifoh and Elimimian, 1999; Mohamad et al., 2000; Upadhyay and Singh, 2006). For example, Okechuku (1994) found that consumers in the USA, Canada, Germany and the Netherlands evaluated domestically manufactured electronic products most favourably, followed by products made in other developed countries and lastly products from less developed countries.

In addition to the mentioned antecedents underlying a preference for domestic products, Hsieh (2004) investigated the role of geographical closeness in COO evaluation of automobiles. He found that consumers are not only more likely to accept domestic products, but also products that originate from the same geographic trading bloc. Similarly, Rosenbloom and Haefner (2009) found that COO preferences co-vary with the notion of brand trust, with both variables being dependent on the geographical region. With regard to the food sector, most studies confirm that consumers generally prefer domestic products (Krystallis and Chryssochoidis, 2009; Loureiro and Umberger, 2003; Peterson et al., 2013), although results are not always explicitly linked to consumer ethnocentrism, or to “domestic country bias” as it is now increasingly termed (Balabanis and Diamantopoulos, 2004).

It is increasingly acknowledged that COO is not merely a cognitive cue. In this context, country stereotypes have received considerable attention. These stereotypical beliefs are formed through direct experience with relevant national groups (holidays, encounters with foreigners) or indirectly via art, education or media exposure (Verlegh and Steenkamp, 1999). Usunier (2007) notes that “country familiarity related to visits in foreign countries does not always lead to more favourable attitudes towards countries and their products”. However, unfamiliar countries are generally expected to be associated with neutral or lower attributions (Chattalas et al., 2008).

Related to this, a number of studies have found a significant influence on COO evaluations and/or consumers’ willingness to buy foreign products of country-specific animosity (e.g. Klein et al., 1998). Country-specific animosity is defined as “anger related to previous or ongoing political, economic, or diplomatic events” (Xie et al., 2015).
Another construct related to country stereotypes are the stereotypical associations consumers make between countries and generic products, so-called “product-country matches” (Roth and Romeo, 1992). Usunier (2007) employs the term “product ethnicity” to describe the degree of such a product-country or country-product match. He emphasizes that “though closely related, product ethnicity is not the COO image of products” (Usunier, 2007) in that such matches contain no evaluative dimension, but are merely associations. Product ethnicity reflects two complementary forms of categorization – the products that are perceived typical for a country and the countries that are associated as origin of a certain product. Products can be associated with one particular COO (e.g. Russia as origin of Vodka), with several origins (German, Japanese and French cars) or with no specific country. Associations may emerge from consumers’ perception of a country’s traditional manufacturing know-how, its location, its climate or its natural resources and varies between consumers from different countries.

With regard to cognitive antecedents, Gürhan-Canli and Maheswaran (2000) found that motivation level, information processing goals and product information affect COO evaluations through COO-related thoughts. In particular, they emphasize “the central role of motivational intensity and direction in moderating the effect of information type on country-of-origin evaluations” (Gürhan-Canli and Maheswaran, 2000). When participants were instructed to evaluate a product’s COO under low motivation conditions, they focussed on COO information. However, if their processing goals directed attention away from COO cues or under high motivation, subjects were less likely to base product judgments on COO information.

3.3.2 Mediators and moderators of COO effects. Within the broad body of COO research, a considerable number of studies have tested potential moderators that may attenuate the effect of COO on product evaluation and purchase intention, some of which have been mentioned already. Some studies found the relative impact of the COO cue on overall product evaluation or purchase intention to be reduced when assessed alongside other quality cues like price and brand name (Agrawal and Kamakura, 1999; Ahmed et al., 2004). For example, various studies showed that a highly regarded brand name can alleviate negative COO effects due to a poor country image (Cordell, 1993; Erickson et al., 1984).

Most scholars seem to agree that COO effects vary considerably depending on the product type under consideration (Kaynak and Cavusgil, 1983; Piron, 2000; Roth and Romeo, 1992). In addition, Lin and Kao (2004) suggest, based on a review of previous research, that the effect of COO on brand equity is moderated by product complexity, as well as some individual consumer variables, such as product familiarity and product importance. However, existing research is inconclusive regarding the directionality of these relationships (Usunier, 2007).

A number of studies investigated how consumers’ involvement moderate the effects of COO on product evaluation. In general, the use of COO cues for product evaluation is expected to be more pronounced for high involvement products (Li and Wyer, 1994). However, Ahmed et al. (2004) found that COO plays a role in the evaluation of low-involvement products, such as coffee and bread. Still, the authors conclude that “consumers' purchase decisions are influenced more by the brand than by the COO of a food product” (Ahmed et al., 2004).

3.3.3 Resulting COO effects. Recently, a number of scholars have questioned the importance of COO as extrinsic cue in consumer decision making. As Usunier (2007) notes, “there is now a body of evidence showing that consumers may not attach as much importance as previously believed to COO for purchase intentions and actual buying behaviour”. These reservations are based on three findings. First, consumers may consider a product’s COO not important or worth retaining in memory (Samiee et al., 2005). Second, even if they know the origin of a product, consumers are sometimes found to lack the
intention to use this information in their product judgements. Liefeld (2004) showed that when intercepted at the cash register, of those consumers that were aware of the COO of the products they just bought, only 2.2 per cent indicated that this knowledge might possibly have played a role in their product choice. Ultimately, and maybe most importantly, several researchers found that the actual knowledge and accuracy of a product’s COO under non-laboratory conditions is universally low (Balabanis and Diamantopoulos, 2008; Hennebichler, 2007; Liefeld, 2004). Similarly, Samiee et al. (2005) found that respondents often just inferred a COO by associating the brand with a certain language. In light of such evidence, various authors suggest that the experimental nature of some studies might have inflated the influence of COO cues on product perceptions (Akaah and Yaprak, 1993; Samiee, 2010; Samiee et al., 2005) as “the effect of extrinsic cues, such as COO, is enlarged when subjects are prompted to evaluate particular cues” (Hsieh, 2004).

In response to this line of research, recent publications have “started to challenge the assumption that COO cue usage is solely a conscious and controlled process by showing that such usage can occur unconsciously and automatically” (Herz and Diamantopoulos, 2013). These researchers critique the dominant paradigm in COO research that assumes that the COO cue is processed in a deliberate, cognitively controlled manner.

In sum, the COO effect is complex, explained by the underlying processes of cue utilization and halo effects, contingent on a number of antecedents (e.g. ethnocentrism, cultural orientation, economic development, geographical closeness and familiarity, product-country fit) and moderated by both individual-based and product factors. Further, studies find mostly indirect effects of COO on purchase intentions, through product evaluations, perceived product value, brand equity or brand image (Hui and Zhou, 2002; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999).

4. Research on consumers’ decision-making regarding organic food products

It is usually assumed that consumers buying organic food products are relatively highly involved in the buying decision (Zanoli and Naspetti, 2002). Consumers that are highly involved in a buying decision are assumed to follow a high-effort path, spending time to process information on what is usually highly differentiated product alternatives (Hoyer et al., 2013). As a result, attitudes are more elaborate and stable. For example, Thøgersen et al. (2010) explored consumer responses to ecolabels by means of a mall-intercept survey. They found that consumers with high environmental motivation were also highly involved in the purchase of eco-labelled products, including acquiring a higher amount of relevant knowledge to make an informed decision.

One of the most frequently applied theoretical frameworks to examine the motivation behind the purchase and consumption of organic food is Ajzen’s (1991) theory of planned behaviour (TPB). The TPB proposes that the attitude towards the behaviour together with perceived social pressure and perceived control co-determine consumer intentions, which is the immediate predictor of behaviour, for example, the purchase of organic food (Thøgersen, 2009). Regarding organic food, several studies also found a direct effect of perceived control on buying behaviour after controlling for buying intentions (Aertsens et al., 2009; Thøgersen, 2009). In addition, the entire decision-making process is influenced by a variety of situational, personal and product-related factors, which may exert their impact during different phases of the process (Thøgersen and Zhou, 2012). The most important factors found to influence consumer decisions regarding organic food are briefly outlined in the subsequent sections.

4.1 Perceptions of and inferences about organic food

Consumers tend to perceive both expected and experienced food quality primarily along four dimensions: taste and appearance, health, convenience and process characteristics
For many consumers, the sensorial experience, reflected in taste, appearance and smell, is a central dimension in the perception of food quality (Marian and Thøgersen, 2013). Yet, several studies show that other quality dimensions have gained significant importance, in particular health and the production process (Brunsø et al., 2002). Therefore, many researchers have started to explore what exactly consumers associate with the quality dimension “organic” and how this influences their purchase behaviour.

Research shows that individuals interpret the term “organic” in a multitude of ways depending on the context. Many consumers, especially in Europe and North America, have heard of organic food and are aware of its central characteristics, but many are rather unfamiliar with the standards and procedures underlying organic practices. Thus, the purchase of organic food is often based on subjective perceptions and experiences (Harper and Makatouni, 2002; Hughner et al., 2007). “Organic” is a process-related product attribute and thus a credence characteristic that is difficult for the consumer to verify. Hence, consumers rely on cues such as the organic certification label to make inferences about the quality of organic food products (Loebnitz and Aschemann-Witzel, 2016). Consumers, however, make a variety of inferences from the organic label including inferences which have no established relationship to the experienced product quality (Marian and Thøgersen, 2013; Schleenbecker and Hamm, 2013), and these inferences can play a significant role on the choice of an organic food product (Costell et al., 2010; Scholderer et al., 2004).

Many studies find that consumers associate organic food with environmental protection, animal welfare and social aspects such as local farming (Aertsens et al., 2011; Harper and Makatouni, 2002; Padel and Foster, 2005). It is also often found that consumers infer health benefits from the consumption of organic food (Aertsens et al., 2011; Padel and Foster, 2005; Shepherd et al., 2005; Thøgersen and Zhou, 2012). In addition, consumers that buy organic food often believe that organic food products taste better than conventional (Marian and Thøgersen, 2013; Padel and Foster, 2005; Thøgersen and Zhou, 2012) and that they are safer, more natural and fresher (Hemmerling et al., 2015; Padel and Foster, 2005). In contrast, the most important barriers to buying organic food are the price premium, lack of availability, inferior visual product quality and presentation, and mistrust in organic claims (Hughner et al., 2007; Padel and Foster, 2005; Thøgersen and Zhou, 2012). These perceptions of organic food are not universal, but very similar in most developed and also in many developing countries (Thøgersen et al., 2015).

4.2 Attitudes and behaviour towards organic food

Favourable attitudes towards organic food are rooted in favourable beliefs about the benefits that organic food provides (Hughner et al., 2007; Pearson et al., 2011; Thøgersen, 2009) and in the consumer’s basic value priorities (e.g. Honkanen et al., 2006; Thøgersen et al., 2016). According to the latter research, the most important values for buying organic food are what Schwartz (1994) calls “universalism values”, which suggests that consumers view buying organic food as an environment-friendly behaviour (e.g. Karp, 1996; Stern and Dietz, 1994; Thøgersen, 2011; Thøgersen and Ölander, 2002). However, it is also common to find a gap between attitudes and behaviour with regard to organic food (Aschemann-Witzel and Niebuhr Aagaard, 2014; Frostling-Henningsson et al., 2014; Pearson et al., 2011).

An important reason for the attitude-behaviour gap is that other factors than the attitude influence buying behaviour. For example, it is common to find an effect of subjective norms on consumers’ intention to buy organic products after controlling for variations in attitudes (Thøgersen, 2009). Perceived control has been found to be an additional antecedent of consumers’ buying intentions and behaviour, and relatively more impactful in countries with a less developed organic market (Thøgersen, 2009; Thøgersen and Zhou, 2012). An additional, direct effect of perceived behavioural control on buying behaviour is usually found when behaviour is difficult to perform and perceived control reasonably reflects
actual control (Ajzen and Driver, 1991). Important obstacles of organic food choice in many countries include insufficient availability, high price premiums and lack of credible labelling and certification systems (Nuttavuthisit and Thøgersen, 2017). As a consequence, the most frequently mentioned reasons for the gap between attitudes and behaviour with regard to organic food are the premium price, insufficient availability and access, and scepticism towards organic food labels (Hughner et al., 2007).

Since “organic” is a credence attribute, it is generally assumed that consumer trust is a prerequisite for the establishment and growth of an organic market (Bech-Larsen and Grunert, 2001). Mistrust, often fuelled by media scandals or inconsistent standards and assessment practices, may undermine consumer motivation to buy organic food, as, for example, found by Nuttavuthisit and Thøgersen (2017) regarding the Thai organic market.

In addition, research has identified a range of moderators of the attitude-behaviour relationship with regard to organic food. For example, studies have found that consumers’ value priorities moderate the relationship between consumer attitudes and intentions regarding buying organic food (Zhou et al., 2013). Favourable attitudes are more likely to be transformed into buying intentions the more compatible buying organic food is with the consumer’s basic value priorities.

Research has also found that subjective knowledge influences the strength of the attitude towards buying organic food and thereby the transformation of consumers’ attitudes into intention to buy and to actual behaviour (Aertsen et al., 2011). In contrast, objective knowledge mostly influences behaviour indirectly through attitudes (Aertsen et al., 2011).

In sum, consumer decision-making regarding organic food is complex. It is typically explained with reference to the concept of involvement and often on the background of the TPB. There are many factors influencing consumers’ decision to buy and actual buying of organic food, often investigated in separated streams of literature. A major distinction is between those looking into perceptions and inferences about organic food (e.g. perception of environmental friendliness, health or taste inferences) and those focussing on attitudes and behaviours (e.g. the role of values for attitudes, or situational factors inhibiting or promoting organic choice behaviour).

5. COO effects for organic food products

Despite the growing importance of imported products in many organic food markets, only few studies have investigated the combined effect of COO and an organic (or other environmental) label, or compared consumer preferences for one vs the other. In the following, we review all the studies in this area, published in English, that we have identified.

Dekhili and Achabou (2014) explored whether a COO’s ecological image affects the evaluation of an eco-labelled product. Different ecological images may derive from different environmental and social efforts as well as different requirements for the same label in different countries (Lozano et al., 2010). French consumers were presented with washing-up liquids in a blind assessment and in a situation revealing information about the ecolabel and the COO (Dekhili and Achabou, 2014). The study found that, even if products exhibited the same eco-quality, mentioning Spain as a COO, with a negative environmental image, led to a significant decrease in purchase intention, whereas mentioning Switzerland, a country with a favourable ecological image, did not significantly affect any of the outcome variables. In addition, the study found that familiarity with ecological products and trust in the country of production significantly affected the evaluation of an eco-labelled product.

Within the limited stream of research on COO effects for organic food products, most studies have focussed on preferences for domestic vs imported organic foods (Dransfield et al., 2005; Schjøll, 2016; Xie et al., 2015). These studies confirm that a domestic country bias is also – maybe even especially – evident in the case of organic food products. For example, based on a mixed sample of French, Danish, Swedish and British consumers, Dransfield et al. (2005)
found that the vast majority (over 90 per cent of those making consistent choices with regard
to the origin label) preferred organic pork originating from their home country over an
imported product. Furthermore, labels concerning the origin and the system of production
(raised outside vs raised inside) had a significant effect not only on appreciation, but also on
the price participants were willing to pay. The domestic country bias was also confirmed by a
recent study asking Norwegian consumers to make choices between minced veal from
Norway, Poland and Denmark, labelled either as organic, free range (the Danish “Friland”
label) or with no process label (Schjøll, 2016). The study found that consumers had a clear
preference and willingness to pay for domestic compared to imported meat, regardless of the
process labelling.

A third example is a choice experiment conducted in the Eastern part of the USA, which
also confirmed the domestic origin preference, in this case with regard to organic broccoli
(Xie et al., 2015). Among the imported organic alternatives, these US consumers preferred
fresh broccoli imported from Canada, followed by Mexico and last China. Even after adding
information about the certification standards for imported organic products, none of the
imported alternatives could compete with domestic organic broccolis. A fourth study
investigated the impact of “organic” on Spanish consumers’ preferences for Manchego
cheese when controlling for origin, type and price (Bernabéu et al., 2010). This study found
that origin was the most important product attribute and no impact of organic, but they did
not investigate the possible interaction between organic and origin.

However, two recent studies involving organic food products found exceptions to
the domestic country bias. One of these studies asked consumers in Beijing, China, to choose
between beef originating in either China, the USA or Australia, with either the Chinese
“Green Food” label, the Chinese organic label, or no such label (Ortega et al., 2016).
The study found that these consumers were willing to pay more for Australian than for
domestic (Chinese), or USA, beef. However, food safety information had the biggest impact
on consumer preferences.

In another study, Schröck (2014) found that imported cheeses commanded significant
price premiums in the German market, between 23 and 43 per cent, compared to domestic
products. Prices premiums were especially high for countries associated with a high
competence in cheese production and cheese specialities, such as Ireland, Belgium, France,
Spain and Switzerland. Geographical indications commanded much smaller price premiums,
between 0.9 and 2.0 per cent, and only in super- and hypermarkets. The average accepted
price premium for organic (vs conventional) cheese was 25 per cent.

Although the latter study suggests low appreciation of geographical or regional labels
regulated by the European Union, other evidence indicates increasing preferences for local
food products. As mentioned earlier, organic is considered a sustainable food alternative,
but the globalization and what is sometimes called “conventionalization” of the organic
food market has given rise to a “local” trend (Feldmann and Hamm, 2015). Many
consumers are increasingly demanding locally produced food, seemingly using “local” as
a quality indicator, but also in order to support local farmers and to avoid long
transportation distances of imported food products (Hempel and Hamm, 2016; Onozaka
and Mcfadden, 2011).

Adams and Salois (2010) explored the parallel development of these overlapping trends
and found that consumers have developed more positive attitudes towards local food and in
many cases even prefer local over organically produced food products. A recent study
showed that in Germany, Austria and Switzerland more than 80 per cent of consumers
purchase local food several times a month, and 92 per cent of all respondents state that they
prefer local over organically produced food (Hempel and Hamm, 2016). Consumers perceive
local food more favourably if it is produced in the “right” season, which also leads to higher
intention to purchase locally produced food (Feldmann and Hamm, 2015).
The overlap in the perceptions and determinants of organic and local food products has given rise to a number of studies investigating whether these two trends complement or compete with each other (Hempel and Hamm, 2016; Onozaka and Mcfadden, 2011). Hempel and Hamm (2016) conclude that some consumers favour the combination of local and organic food production. Organic-minded consumers in their study had a relatively high preference for food products being produced as close as possible to their home. They found that organic-minded consumers had a higher willingness to pay for an organic food coming from Germany than a locally grown product. However, they had a higher willingness to pay for a local food product than for an organic product from a neighbouring or non-EU country. These findings indicate that organic-minded consumers consider both product attributes and may make trade-offs between origin and production method depending on the situation.

6. Discussion and future research

This literature review has confirmed that there are few studies analysing the possible interaction between the effects of organic and COO on consumers’ food preferences and choices (Xie et al., 2015). Obvious prerequisites for COO effects are that consumers know a product’s origin and pay attention to the COO in the shopping situation. The reviewed research reveals that consumers’ knowledge of a product’s COO is often low, but the COO may still play a role if consumers use it as a peripheral cue to simplify quality judgement (Gürhan-Canli and Maheswaran, 2000). It seems, though, that the presence of other quality cues, like a premium brand, moderates the COO effect, usually reducing the importance of a product’s origin, especially for fast moving consumer goods (Ahmed et al., 2004). This also suggests that consumers might pay less attention to the product’s COO when presented together with an organic label, as an additional quality cue. However, if consumers are more involved in the purchase of organic than conventional foods (e.g. Zanoli and Naspetti, 2002), this might have a reverse effect, leading to increased attention to additional quality cues, such as the COO. It further complicates matters that, even if consumers pay attention to the COO, they do not necessarily use this information in their product judgements (Liefeld, 2004).

Consumers generally prefer domestic food products to imported and, hence, “foreign” is generally a liability to food products (Newman et al., 2014). The reviewed research confirmed this domestic country bias also for organic food products. This bias may be further amplified by consumers in some countries increasingly emphasizing “local” when buying organic food (Hempel and Hamm, 2016), which suggests an effect of geographical closeness on COO evaluations for organic food. A preference for geographical closeness might also lead to consumers holding more positive attitudes towards products from geographically close than more distant countries. Alternatively, or as a consequence, geographical closeness might lead to a more positive country-specific affect and a higher perceived product-country match due to greater familiarity. In addition, goods from countries with comparatively shorter transport distances may be perceived as more environmentally friendly, an important motivation to buy organic in the first place according to research (Thøgersen, 2011).

A few studies find that the liability of being imported is smaller for organic food products, that is, a positive interaction between foreign COO and organic after controlling for the negative direct effect of foreign COO (Onozaka and Mcfadden, 2011; Xie et al., 2015). In such cases, COO information and organic seem to be perceived by consumers as supplementary information about quality (cf. Onozaka and Mcfadden, 2011).

In some cases, consumers are willing to pay a premium for imported food products (e.g. Ortega et al., 2016; Schröck, 2014). We have not identified any studies investigating whether it makes a difference for consumers’ evaluation of or willingness to pay a premium for imported products that they are organic vs conventional. However, suggestive evidence regarding the possible interaction between COO and organic in premium markets is provided by Larceneux et al. (2012). They find that “organic” makes less of a difference for consumers’
choice of a premium brand than for a retailer’s private label brand, that is, a negative interaction between branding and organic labelling, perhaps because both the brand name and the organic label are used as cues to premium quality. If a premium COO functions in the same way as a premium brand in this respect, that is, as a cue to premium quality, we should expect the same negative interaction with organic in this case. A negative interaction between imported/COO and organic is likely to appear when the two characteristics are perceived as substitutes in consumers’ assessment of product quality (cf. Onozaka and McFadden, 2011).

As suggested by Bernabéu et al. (2010), it might be that organic differentiation does not contribute additional utility to the consumer in products already differentiated. However, this is speculation only. It is an important conclusion of this literature review that there is a need for research that more systematically investigates the possible interactions between COO and organic certification/labelling on consumer food product preferences and choices. Consumer responses to COO and organic labelling are also likely to be influenced by recent and future changes in regulations. Hence, we suggest the following agenda of research questions to be addressed in future research:

RQ1. How is attention to COO information or an organic label impacted by the presence of the other cue on the product or in the communication about the product, in general and in particular among organic food consumers?

RQ2. Which information on different exporting countries do consumers access or draw upon when evaluating imported organic food and which product perceptions are salient when they evaluate organic foods from one export country compared to another?

RQ3. To which extent does product perceptions and preferences differ for the same export or import country, depending on the region within the exporting and the importing countries, thus, when assessing the geographical and/or cultural closeness, beyond the mere nationality?

RQ4. To which extent does perception and preference vary with the respective country image and the perceived fit between product category and country, in particular with regard to an image of environmental friendliness?

RQ5. Is the impact on consumer choices of COO information or the organic label diminished or amplified by the presence of the other quality cue, in general and in particular for organic food consumers?

RQ6. How does the impact on consumer choices of COO information or the organic label depend on differences between and changes in countries’ organic regulation, and does this change over time as consumers become more informed about the regulation in different countries?

References


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