

# Prototypical brands and cultural influences

## Enhancing a country's image via the marketing of its products

Prototypical  
brands and  
cultural  
influences

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Received 13 March 2018  
Revised 26 October 2018  
14 December 2018  
19 December 2018  
Accepted 21 December 2018

### Abstract

**Purpose** – To extend the understanding of country image to the country whose image is less distinctive, the purpose of this paper is to examine two salient factors: one country's prototypical brand and its cultural influence (i.e. Korean Wave) on shaping the country's image in the context of Korea and its subsequent impact on product evaluation and purchase intention. Built on the prototype and schema theories, a research framework is proposed and empirically tested on two product categories (cosmetics and tires).

**Design/methodology/approach** – Data were collected from US consumers ages 20 and older and analyzed using structural equation modeling.

**Findings** – The findings largely supported the proposed framework with two additional paths (Korean Wave to product quality and Korean Wave to purchase intention). In both product categories, the findings confirmed that the image transfers from the prototypical brands (e.g. Samsung) to the country image (i.e., Korea), from Korean Wave to country image, and from the macro country image to the micro country image. The influence of the prototypical brand image was greater than that of the Korean Wave. However, some differences were found across product categories; the positive impact of the macro image on product quality evaluation was supported only for tires, not in the case of the cosmetics. The path from the Korean Wave to product quality evaluation was significant only for the cosmetics, and not for the tires.

**Originality/value** – These findings provided new theoretical perspectives for country image studies, and practical insights for companies, especially in countries whose image is less distinctive, to help develop effective marketing strategies in different product categories.

**Keywords** Country image, Korean Wave, Prototypical brand

**Paper type** Research paper

### Introduction

Given the massive influence of country image on consumers' purchase intentions (e.g. Roth and Diamantopoulos, 2009), products from developed countries can be effectively marketed by leveraging these countries' robust and distinctive image. Consumers' perceptions of a country's image, however, may not be accurate or stable, especially in the case of a country that has recently gained developed country status, such as South Korea (henceforth known as Korea) or Singapore, which were considered newly industrialized economies from the 1970s to 1990s.

This work was supported by the Ministry of Education of the Republic of Korea and the National Research Foundation of Korea (NRF-2015S1A3A2046811).



Management Decision  
Vol. 57 No. 11, 2019  
pp. 3159-3176  
© Emerald Publishing Limited  
0025-1747  
DOI 10.1108/MID-01-2018-0057

For example, the country image of Korea as a developed country may not have been clearly formed among global consumers; thus, its image as a developed country may not be accurately transferred to the evaluation of the country's various product (Magnusson *et al.*, 2014).

To extend our understanding to a country whose image is less distinctive and determine its impact on product evaluation, this study chose Korea and explored antecedents that contribute to shaping Korea's country image. Among the factors contributing to forming a country's image (Martin and Eroglu, 1993), this study chose two salient antecedents, one from the economic perspective and the other from the cultural perspective. For the economic antecedent, this study examines the influence of the prototypical brand. A prototypical brand is a corporate brand that most consumers associate with a country, such as Samsung, Hyundai and LG, which have been key to shaping Korea's image by serving as ambassadors for the country (Anholt, 2000). Despite the increasing influence of corporate branding on country image (e.g. Anholt, 2005; Lopez *et al.*, 2011), empirical testing of this relationship is still underexplored.

The other antecedent of country image this study proposes is when a representative cultural influence is substantial enough to create a country's image – such as the Samba dance in Brazil, tea ceremony in Japan, etc. For Korea's representative cultural influence, this study focuses on the growing popularity of Korean pop culture called K-pop, or the Korean Wave, that has shaped Korea's image. Originating in soap operas, pop music and movies in the 1990s, the Korean Wave is known for its significant impact on Korea's image and marketing strategies (Kuwahara, 2014). K-pop is considered the country's second best-known export after Samsung, which was valued at US\$5.7bn in 2015 (Korea Foundation for International Culture Exchange, 2016). K-pop is often narrowly referred to as Korean music, whereas Korean Wave is a collective term that indicates the increased global popularity of Korean culture, including Korean drama, music, beauty trends, etc. Hence, we used the term Korean Wave in this study.

Built on the prototype and schema theories, this study proposes a research model that examines the impact of two antecedents (prototypical brand and Korean Wave) on shaping the country's image, which influences consumers' evaluation of overall product quality and subsequent purchase intentions, and then empirically tests the model on US consumers.

To examine whether the relationships proposed in the model are robust or different across product categories, this study tests the model on two product categories: experiential goods (i.e. cosmetics) and rational goods (i.e. tires). Since the Korean Wave explained the global success of Korean cosmetics to a large degree (Cho, 2017), the influence of the Korean Wave may be more closely related to product evaluation of and purchase intention toward Korean cosmetics than to tires. Following the precedent set by Balabanis and Diamantopoulos (2008), this study references the country where the company's headquarters are located, regardless of the country where the brand in question is manufactured. Country image is examined on both macro and micro levels – that is, overall country image and product-specific country image, respectively – to determine whether the impact of the antecedents varies according to level.

## Literature review

### *Theoretical background*

This study builds on three theories: the schema theory, prototype theory and cue theory. Schema refers to a “cognitive structure that contains knowledge about the attributes of a concept and the relationships among those attributes” (Fiske and Taylor, 1984, p. 149). According to schema theory, existing schemata influence how new information is structured, organized, interpreted and assimilated with existing knowledge.

Prototype theory, developed by Rosch (1978), suggests that people categorize objects by comparing them with a prototype which contains attributes most representative of items belonging to that category. That is, people judge new objects through a categorization

process in which the new object is compared to a prototype for cognitive processing efficiency (Rosch, 1978). The theory assumes that categories have a graded structure in which some products are more representative or typical than other products (Loken *et al.*, 2008). One example is that IKEA is perceived to be more representative of the Swedish image than H&M, although both are Swedish retail brands (Magnusson *et al.*, 2014). The first entrant brand in a category often acts as the prototypical brand by “establishing the category.” Prototypical brands often serve as leaders in one category and act as entry barriers to products that follow (Quintal and Phau, 2013). People will infer information about a new category by referring to the attributes associated with the prototypical brand, which is often the pioneering brand. When little is known about a product category, people will rely on the prototypical object to inform their perceptions. Examples of prototypical brands and their countries of origin include IKEA from Sweden, Toyota from Japan and Samsung from Korea. Hence, when people try to recall a country’s image, they often refer to the country’s prototypical brand and that brand’s image (Magnusson *et al.*, 2014). Prototypical brands affect consumers’ choices; however, their power tends to wane in a mature market where many me-too brands are emerging (Quintal and Phau, 2013).

Cue theory explains the relationship between country image and consumers’ evaluation of the quality of its products. Consumers receive an array of informational cues when a product is initially presented (Bilkey and Nes, 1982). Such cues include extrinsic (e.g. taste, design, fit) and intrinsic (e.g. price, brand name, warranties) cues. Country image can act as an extrinsic cue when consumers are evaluating its products, especially when they lack any other information about those products (Han, 1989; Lee and Ganesh, 1999; Nebenzahl *et al.*, 1997).

#### *Country image*

Country image is defined as the sum of associations and beliefs individuals have about a country (Martin and Eroglu, 1993). While different terms are used interchangeably in the literature, this study clearly distinguishes country image from country of origin (COO) since COO mainly refers to the country where products are manufactured. Country image, however, does influence the COO effect. When COO is decomposed by country of design (COD) and country of manufacturing (COM), the COD where a brand name is established has a greater influence on consumers’ perceptions of value than the COM (Thanajaro, 2016). This indicates the overarching influence of country image in creating consumers’ perceptions about products from a specific country. Country image is multi-dimensional and classified according to two research streams. One stream views country image as affective, cognitive and conative (e.g. Laroche *et al.*, 2005; Roth and Diamantopoulos, 2009) and the other classifies country image into two hierarchical dimensions (i.e. the macro and micro dimensions or country and product) (Heslop and Papadopoulos, 1993; Magnusson *et al.*, 2014; Martin and Eroglu, 1993; Pappu *et al.*, 2007). The macro image incorporates “the total of all descriptive, inferential and informational beliefs one has about a particular country” (Pappu *et al.*, 2007, p. 727) and is comprised of factors encompassing political, economic, technological and social desirability (Martin and Eroglu, 1993). On the other hand, micro image is defined as “the total of beliefs one has about the products of a given country” (Pappu *et al.*, 2007, p. 727). That is, micro image is specific to product categories (Pappu *et al.*, 2007). This study takes the macro and micro country image approach because its hierarchical understanding provides practical implications for companies and governments.

#### *Korean Wave*

The popularity of Korean Wave began rising in East and Southeast Asia with television dramas and pop music in the 1990s. It has now penetrated other industries such as

cosmetics and film, and has become a global sensation (Kuwahara, 2014). An example of its popularity can be seen with the Korean boy band BTS, whose album “Love yourself: answer” debuted at number one on *Billboard 200* and they were featured on the cover of *Time* magazine as “Next generation leaders” in October 2018. As of 2017, Korea had exported nearly \$6.9bn in entertainment, a significant increase from \$500m in the early 2000s (Korea Creative Content Agency, 2018; Leong, 2014). Through the aid of social media channels, Korea has now become the top non-western country to export its popular culture (Yong, 2016).

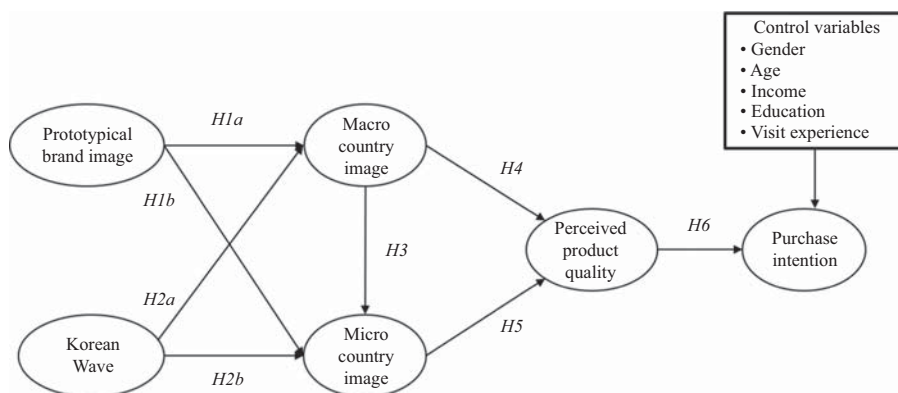
One of the industries which has most significantly benefitted from the Korean Wave has been Korea’s cosmetics industry, which has utilized Korean pop stars in marketing cosmetics (Bryant, January 24, 2018; Korea Foundation for International Culture Exchange, 2016). The exports of Korean cosmetics have increased to more than \$4.96bn in 2017, compared to \$400m in 2009 (Nam, 2018). In 2016, the growth rate of cosmetic exports ranked second highest in Korea after camera module exports (Park, 2017). Known as K-beauty (Korean beauty), Korean cosmetics brands have been growing in popularity in Asia as well as in North America. The beauty industry, which had previously been led by European brands, has recently made room for Korean brands like Amore Pacific and Dr Jart, both currently being sold at major retailers in the USA, including Target, Bloomingdales, Neiman Marcus and Sephora. In particular, Amore Pacific Corporation, which owns brands including Sulwhasoo, Laneige and Hera, was ranked 7th in global sales figures on WWD’s Top 100 Beauty Brands List in 2017 (WWD, 2017) and ranked 18th in *Forbes* list of the World’s Most Innovative Companies (*Forbes*, 2018).

These trends indicate that the Korean Wave is now an effective cultural tool not only to raise awareness of Korean goods, but also to positively shape Korea’s image abroad. As such, this study posits that the popularity of the Korean Wave influences the way global consumers perceive Korea as a nation and thus evaluate Korean products such as cosmetics and tires. Since the cosmetic sector has experienced significant success in the global marketplaces owing to the Korean Wave, we posit that the influence of the Korean Wave may be stronger for cosmetics than for tires.

### **Proposed research framework and hypothesis development**

This study posits that since Korea’s image is unlikely to be clearly formed among US consumers, two antecedents that US consumers have likely been exposed to – prototypical brand image and Korean Wave – serve as schemata and prototypical exemplars through which they will form Korea’s macro and micro country image. This study further postulates links from macro and micro country image to product quality evaluation and subsequent purchase intention based on cue theory. Integrating the schema, prototype and cue theories, this study proposes the research framework shown in Figure 1. This framework is based on the premise that prototypical brand image and the Korean Wave will influence US consumers’ formation of Korea’s macro and micro country image, which will affect perceptions around the quality of Korean products and thus subsequent purchase intentions. This study further applies the proposed model to experiential (cosmetics) and rational (tires) product categories because consumers interact with these products differently depending on either their rational or experiential nature (Costa *et al.*, 2016). In addition, the influence of prototypical brands’ images and Korean Wave on the formation of an overall country image might differ according to product category. For instance, the influence of Korean Wave will be greater in forming a product-specific country image for cosmetics than for tires since Korean pop and television stars were heavily utilized in marketing Korean cosmetics overseas (Kim and Hong, 2017).

Prototype theory explains how consumers generalize a country’s overall image from a prototypical brand originating in that country. The first brand in a category to enter the



**Figure 1.**  
The proposed  
research framework

market often acts as the prototypical brand by “establishing the category” (Carpenter and Nakamoto, 1987). Prototypical brands from Korea include Samsung, LG, Hyundai, Kia and Amore Pacific. Visibility within a specific market may depend on market shares, distribution intensity, advertising expenditure and media presence (Balabanis and Diamantopoulos, 2008). Aforementioned prototypical brands are all marketed and sold in US marketplaces, thus US consumers are exposed to these brands. Accordingly, US consumers form an image of Korea based on these prototypical brands. This relationship between a prototypical brand and a country’s image is supported by other studies as well. Gotsi *et al.* (2011) found that the more powerful a corporate image is for consumers (i.e. prototypical brand), the stronger its influence on image of the country where that brand originated. Magnusson *et al.* (2014) demonstrated that in countries with less clear country images such as Korea, a transgression by a prototypical brand can have negative effects on both the macro and micro country images. Taken together, we expect that US consumers’ perceptions of prototypical brands in Korea will influence Korea’s macro and micro country image:

- H1a.* The prototypical brand image of a country positively influences its macro country image.
- H1b.* The prototypical brand image of a country positively influences its micro country image.

The Korean Wave has been promoting Korea as a “country, society, tourist destination, and place of manufacturing of reliable products” (Kuwahara, 2014, p. 20), positively influencing the overseas perception of Korea. Findings from a poll conducted by the BBC in 2012 attributed Korea’s change in image from “slightly negative” to “generally positive” to Korean popular culture, along with its economy and products (BBC World Service, 2012). By portraying Korean culture through various media, Korea has gained significant cultural capital and increased its presence around the world. Since cultural events are important factors when forming the perception of a country (Martin and Eroglu, 1993), we predict that the Korean Wave will impact global consumers’ perceptions of Korea’s overall image.

As schema theory explains, US consumers form product-specific images of Korea through images portrayed by K-pop and K-beauty and marketed by leading department stores and cosmetics chains (e.g. Sephora) (Ong, 2015). Han’s (2014) analysis of consumers in 28 countries, measuring their perceptions of Korea and Korean brands (e.g. Samsung, Hyundai), showed strong correlations among Korea’s country, cultural and product images.

This implies a strong relationship between the Korean Wave and how consumers view Korean consumer goods. Thus, we hypothesize that the Korean Wave has a positive impact on how US consumers form their micro country image of Korea's products:

*H2a.* The Korean Wave positively influences Korea's macro country image.

*H2b.* The Korean Wave positively influences Korea's micro country image.

Previous studies suggest that there is a strong correlation between a country's macro and micro country image (Pappu *et al.*, 2007), but few have examined exactly how one impacts the other. Based on the notion that consumers characterize a country's macro image on a higher level mental schema and micro country image as lower level (Magnusson *et al.*, 2014), this study hypothesizes that overall, a country's image (i.e. macro country image) positively impacts its image at the product level (i.e. micro country image). This notion can also be explained by the halo effect, which states that overall perceptions of a country, or its macro country image, can act as a halo to influence how consumers perceive product-specific images, or "micro" country image. Hence:

*H3.* Macro country image positively influences its micro country image.

The relationship between country image and perceptions around the quality of its products has been proven in research across various countries (e.g. Hamzaoui-Essoussi and Merunka, 2007; Hamzaoui and Merunka, 2006; Sharma, 2011) and product categories (e.g. Hamzaoui and Merunka, 2006). Previous studies have found a positive correlation between product quality and country image; the more positive the country's image, the better the perceptions around the quality of its products (Hamzaoui and Merunka, 2006). Country image acts as an extrinsic cue, signaling perceptions around the overall quality of its products and their attributes, such as reliability and durability (Han, 1989; Lee and Ganesh, 1999; Nebenzahl *et al.*, 1997). It has been noted that consumers rely on both a country's macro and micro images when evaluating the quality of its products (Pappu *et al.*, 2007). Hence:

*H4.* Macro country image enhances perceptions of the quality of its products.

*H5.* Micro country image enhances perceptions of the quality of its products.

Perceived product quality has been defined as "the consumer's judgment about a product's overall excellence or superiority" (Tsiotsou, 2006, p. 210). Perceptions of the quality of a product prompt consumers to either purchase or avoid purchasing that product. The positive correlation between perceived product quality and consumers' purchase intentions is well documented in the literature (e.g. Chang and Wildt, 1994; Tsiotsou, 2006) across different product categories (e.g. Tsiotsou, 2006) and countries (e.g. Roth and Romeo, 1992). In accordance with this literature, we expect that the same positive correlation will hold true for US consumers' intentions to purchase Korean products:

*H6.* Perceived product quality positively influences consumers' intentions to purchase.

## Method

### *Sampling and data collection*

To test our hypotheses, we employed a consumer survey method. Data were collected from consumers ages 20 and older living in the USA via a professional US online survey firm that ensured the adequate representation of diverse ages, education and income levels of respondents. The survey firm sent out an e-mail invitation with the survey URL to their panels. Survey participants were informed that completion of the questionnaire was anonymous and voluntary. Because our goal was to receive 250 responses, the survey URL

remained available until we received 250 responses which represented a diversity in age, education and income levels. In other words, the URL was closed when the gender of 250 respondents was equally distributed and other demographic variables also represented adequate diversity. Accordingly, our respondents were 50 percent male and 50 percent female. Respondents' ages were also evenly distributed, ranging from those in their 20s to 50s. Among the 250 respondents, 87 (34.8 percent) held bachelor's degrees and 84 (33.6 percent) had completed high school. In terms of annual average income, 23.2 percent earned between \$30,000 and 60,000, 22.4 percent earned between \$60,000 and 90,000 and 20.8 percent earned less than \$30,000.

### Measurements

Constructs included in this study were measured via multi-item scales adapted from previous studies. A total of 15 items measuring the prototypical brand image that assess the brand's product value, product style and market presence were adopted from previous studies (Koubaa, 2008; Parameswaran and Yaprak, 1987). Awareness of an entity is one of the main conditions for an image's ability to transfer from one entity to another (Keller, 2013); thus, from the top 50 Korean brands ranked by Interbrand (2017), we chose six Korean brands that are marketed in the USA: Samsung, LG, Hyundai, Kia, Daewoo and Amore Pacific. Respondents were asked to choose one Korean brand that best represents Korea among the six global Korean brands given, and answer the subsequent 15 items measuring corporate image with the chosen brand in mind. The Korean Wave was operationalized as a respondent's familiarity with Korean pop culture. Four items measuring familiarity with and influence of the Korean Wave were adapted from Jung's (2006) study. The 11 items used to measure macro country image were adopted from Pappu *et al.* (2007), wherein respondents were asked to evaluate how they perceived Korea's image in those 11 items. Micro country image was measured by five items adapted from Wang *et al.* (2012) and perceived product quality was measured by items from Dodds *et al.* (1991). To measure purchase intention, five items were adopted from Dodds *et al.* (1991) and Taylor and Baker (1994). All constructs were measured using seven-point Likert-type scales (1 = strongly disagree and 7 = strongly agree).

## Results

### Measurement validity and reliability

Prior to validating the measurement model, second-order confirmatory factor analysis (CFA) was conducted for two constructs: prototypical brand image and macro country image, respectively (see Tables AI and AII). First, the second-order CFA for prototypical brand image was conducted using Amos 18.0. The 15 indicators consisted of three latent constructs (product value, style and market presence) as suggested by Koubaa (2008). The four items that performed poorly were deleted one by one, and the final CFA result overall met the goodness-of-fit criteria ( $\chi^2 = 134.94$  (df = 41),  $\chi^2/\text{df} = 3.29$ ,  $p = 0.000$ , SRMR = 0.03, GFI = 0.91, AGFI = 0.86, NFI = 0.95, TLI = 0.95, CFI = 0.96, RMSEA = 0.09). Then, the second-order CFA was conducted on macro country image using 11 indicators of three latent constructs – technological, economic and political, as suggested by Pappu *et al.* (2007). After eliminating poorly performing items one by one, the final analysis showed a fairly acceptable goodness-of-fit ( $\chi^2 = 52.17$  (df = 17),  $\chi^2/\text{df} = 3.07$ ,  $p = 0.000$ , SRMR = 0.03, GFI = 0.95, AGFI = 0.89, NFI = 0.96, TLI = 0.96, CFI = 0.97, RMSEA = 0.09). Based on the second-order CFA results, the means of the three higher-order factors measuring prototypical brand image and macro country image were implemented for subsequent analysis.

To evaluate measurement validity and reliability, CFA with maximum likelihood was conducted on the 25 indicators of the six latent constructs. The goodness-of-fit test of our

initial measurement model yielded the following results:  $\chi^2 = 609.54$  ( $df = 260$ ),  $p = 0.000$ , SRMR = 0.04, GFI = 0.84, AGFI = 0.80, NFI = 0.93, TLI = 0.95, CFI = 0.96, RMSEA = 0.07. The model was then re-specified, deleting five indicators one at a time, taking into account both statistical and content considerations. The final CFA results of the re-specified model yielded an acceptable fit ( $\chi^2 = 309.09$  ( $df = 155$ ),  $p = 0.000$ ,  $\chi^2/df = 1.99$ , SRMR = 0.03, GFI = 0.89, AGFI = 0.86, NFI = 0.95, TLI = 0.97, CFI = 0.98, RMSEA = 0.06). The convergent validity of the latent constructs in the model was established based on the effect of the significant  $t$ -values of each item's estimated path coefficient on its posited latent construct ( $p < 0.001$ ) and composite reliability above 0.80. The average variance extracted (AVE) for all constructs was above 0.60 (Bagozzi and Yi, 1988). Internal reliability, indicated as Cronbach's  $\alpha$  for each of the six constructs, was higher than 0.80 (Table I). The AVEs of all latent constructs were greater than the estimates of the squared correlation between them, which also confirmed the discriminant validity of the constructs. After all psychometric properties of measurement were established, the structural equation model (SEM) was then examined.

#### *Hypothesis testing*

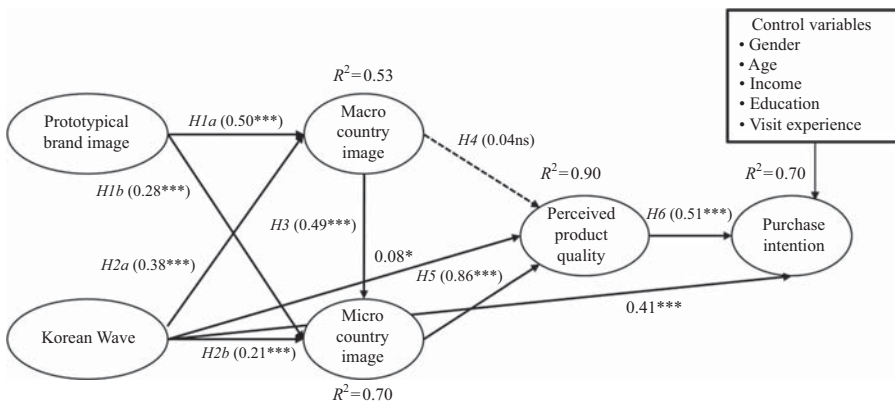
We first conducted SEM analysis to examine the hypothesized relationships in the cosmetics product category with the maximum likelihood estimation procedure using AMOS 18.0 (Figure 2). Gender, age, education, income and whether or not respondents had visited Korea were included as control variables. The results showed that the fit of the hypothesized model was not good ( $\chi^2 = 514.78$  ( $df = 246$ ),  $p = 0.000$ , SRMR = 0.05,

Constructs	Items	Factor loading	$t$ -value	CR	AVE	Cronbach's $\alpha$
Prototypical brand image	Market presence	0.89	–	0.92	0.87	0.95
	Style	0.94	24.98			
	Product value	0.95	25.80			
Korean Wave	I know Korean TV soap operas or movies well	0.95	–	0.83	0.87	0.95
	I know Korean fashion style well	0.95	31.04			
	I have a preferred Korean singer or actor/actress	0.90	25.63			
Macro country image	Technological	0.88	–	0.81	0.74	0.89
	Economic	0.84	17.06			
	Political	0.87	17.97			
Micro country image	Well designed	0.95	–	0.88	0.82	0.94
	Reliable	0.95	32.45			
	High workmanship	0.91	27.02			
	Having global brand presence	0.81	19.24			
Perceived product quality	Korean cosmetics (tires) are of good quality	0.94	–	0.91	0.90	0.96
	Korean cosmetics (tires) are dependable	0.96	33.13			
	Korean cosmetics (tires) are reliable	0.95	32.11			
Purchase intention	The likelihood of purchasing Korean cosmetics (tires) is high	0.94	–	0.89	0.88	0.97
	The probability that I would consider buying Korean cosmetics (tires) is high	0.95	31.09			
	My willingness to buy Korean cosmetics (tires) is high	0.92	27.30			
	In the next year, if I need cosmetics (tires), I will select among Korean brands	0.94	30.18			

**Table I.**  
Result of final measurement model

**Notes:** CR, composite reliability; AVE, average variance extracted





Notes: NS, not significant. \* $p < 0.05$ ; \*\*\* $p < 0.001$

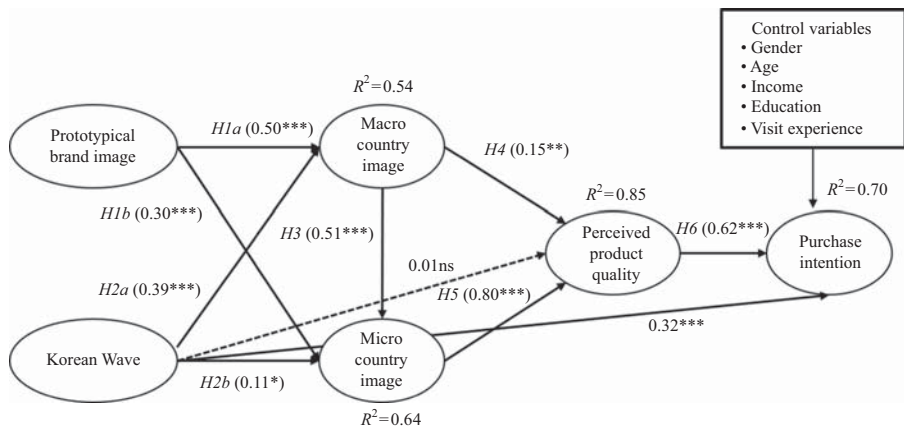
Figure 2. SEM results of revised model: cosmetics

GFI = 0.86, AGFI = 0.82, NFI = 0.93, TLI = 0.95, CFI = 0.96, RMSEA = 0.07). Modification indexes suggested two additional paths for the proposed model: the effect of the Korean Wave on perceptions of product quality and purchase intentions. These paths were deemed reasonable, given the contribution of the Korean Wave to increases in the export of cosmetics (Arthur, 2016). The fit of this revised model turned out to be better than the proposed model ( $\chi^2 = 469.10$  (df = 244),  $p = 0.000$ , SRMR = 0.04, GFI = 0.88, AGFI = 0.83, NFI = 0.93, TLI = 0.96, CFI = 0.97, RMSEA = 0.06) (see Figure 2). The  $\chi^2$  difference test revealed that the revised model was a better fit than the original model ( $\Delta\chi^2 = 45.68$ ,  $\chi^2$  (df = 2,  $\alpha = 0.05$ ) = 5.99); thus, the revised model was used for subsequent hypothesis testing.

Overall, all hypothesized relationships were supported, except *H4*. *H1a* and *H1b* proposed that a prototypical brand's image positively influences both the macro and micro country images. The standardized path coefficient showed the positive influence of a prototypical brand's image on the macro country image to be 0.50 ( $p < 0.001$ ) and micro country image to be 0.28 ( $p < 0.001$ ), respectively, thereby supporting *H1a* and *H1b*. Likewise, the Korean Wave had positive influences on macro country image (0.38,  $p < 0.001$ ) and micro country image (0.21,  $p < 0.001$ ) respectively, supporting *H2a* and *H2b*. *H3*, which hypothesized a positive path from macro country image to micro country image, was supported (0.49,  $p < 0.001$ ). The findings rejected *H4*, which proposed that the macro country image would positively influence perceptions of the quality of that country's products. However, the micro country image did have a positive influence on perceptions of product quality (0.86,  $p < 0.001$ ), supporting *H5*. *H6* proposed that perceptions of product quality positively influences purchase intentions, and *H6* was supported (0.51,  $p < 0.001$ ). Two additional paths were also found to be positive. US consumers' exposure to the Korean Wave enhanced their evaluation of the quality of Korean cosmetics (0.08,  $p < 0.05$ ) and their intentions to purchase these products (0.41,  $p < 0.001$ ).

To examine whether or not the relationships proposed in the model are robust across product categories, we ran another SEM for tires using the revised model to compare those results with those from the cosmetics category (Figure 3). As with cosmetics, gender, age, education, income and experience with visiting Korea were included as control variables. The SEM result for tires showed an acceptable fit:  $\chi^2 = 491.57$  (df = 244),  $p = 0.000$ , SRMR = 0.04, GFI = 0.87, AGFI = 0.82, NFI = 0.93, TLI = 0.96, CFI = 0.96, RMSEA = 0.06. Since each participant responded to two product categories, we did not use the product category as a moderator. Rather, we compared the findings to look for any emerging

**Figure 3.**  
SEM results of revised  
model: tires



**Notes:** NS, not significant. \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

patterns. Overall the results were similar, but some differences were found between the two products. First, the Korean Wave had no significant influence on perceptions of product quality for tires, in contrast with cosmetics, which revealed that the Korean Wave had a significant influence (0.08,  $p < 0.05$ ). Second, for tires, the macro country image had a positive influence on product quality (0.15,  $p < 0.01$ ), which was not significant for cosmetics. The rest of the coefficients showed a small difference between the product categories. However, since we did not test the moderating effect of product category, we will only discuss the major differences in the next section. To further analyze the mediating role of macro and micro country image between antecedents (prototypical brand and Korean Wave) and product quality, we employed a bootstrapping method using Amos (Preacher & Hayes, 2008). As Table II shows, the confidence intervals did not contain 0; this indicates that the bootstrap test results confirmed the existence of a positive and significant mediating effect of the macro and micro image between antecedents and product quality. The results of the hypothesis testing were summarized in Table III.

### Discussion and implications

This study attempted to examine how a country with a less defined image can enhance its image and the subsequent evaluation of its products. The analysis of the results revealed insights that have not been addressed in previous studies. First, the positive influence of the prototypical brand's image on the macro and micro country image was significant and robust in two product categories. This finding corresponds with those of Gotsi *et al.* (2011) and Magnusson *et al.* (2014), who studied the influence of a corporate brand's image on the

**Table II.**  
Bootstrap results on  
mediation effects with  
95% confidence  
intervals

Path	Lower bound	Upper bound	<i>p</i> -value
<i>Cosmetics</i>			
Prototypical brand image→Macro/Micro country image→Perceived quality	0.358	0.592	0.004
Korean Wave→Macro/Micro country image→Perceived quality	0.266	0.452	0.004
<i>Tire</i>			
Prototypical brand image→Macro/Micro country image→Perceived quality	0.399	0.642	0.004
Korean Wave→Macro/Micro country image→Perceived quality	0.189	0.404	0.004

**Table III.**  
Summary of hypotheses test results

Paths	Products	$\beta$	t-value	p-value	Hypothesis
<i>H1a.</i> Prototypical brand image→Macro country image	Cosmetics	0.50	8.52	0.00	Supported
	Tire	0.50	8.61	0.00	Supported
<i>H1b.</i> Prototypical brand image→Micro country image	Cosmetics	0.28	5.12	0.00	Supported
	Tire	0.30	5.08	0.00	Supported
<i>H2a.</i> Korean Wave→Macro country image	Cosmetics	0.38	6.81	0.00	Supported
	Tire	0.39	6.90	0.00	Supported
<i>H2b.</i> Korean Wave→Micro country image	Cosmetics	0.21	4.12	0.00	Supported
	Tire	0.11	1.97	0.04	Supported
<i>H3.</i> Macro country image→Micro country image	Cosmetics	0.49	7.25	0.00	Supported
	Tire	0.51	6.90	0.00	Supported
<i>H4.</i> Macro country image→Perceived quality	Cosmetics	0.04	0.78	0.43	Not supported
	Tire	0.15	2.75	0.01	Supported
<i>H5.</i> Micro country image→Perceived quality	Cosmetics	0.87	16.03	0.00	Supported
	Tire	0.80	14.91	0.00	Supported
<i>H6.</i> Perceived quality→Purchase intention	Cosmetics	0.51	9.85	0.00	Supported
	Tire	0.62	13.01	0.00	Supported

country’s image and their findings supported our reasoning that due to the fact that Korea’s image consists of fewer nodes, the influence of a country’s prototypical brands extends to both the macro and micro country images. The positive influence of the Korean Wave on Korea’s macro and micro country image was also discovered to be significant in two product categories. Across two antecedents, the influence of a prototypical brand’s image on macro and micro image appeared to be greater than that of the Korean Wave.

A closer examination further revealed that the impact of a prototypical brand’s image on the macro country image (0.50 in cosmetics and 0.50 in tires) was found to be greater than on its micro country image (0.28 in cosmetics and 0.30 in tires), and this pattern was similar in both product categories. The same pattern was observed in terms of the influence of the Korean Wave in that the influence of the Korean Wave on Korea’s macro image (0.38 in cosmetics and 0.39 in tires) was greater than on its micro image (0.21 in cosmetics and 0.11 in tires). This finding demonstrated two consistent patterns: first, a prototypical brand’s image had a greater influence on the macro and micro country image than did the Korean Wave, and second, the influence of the two antecedents on the macro country image was greater than on the micro country image. These findings collectively suggest the critical importance of prototypical image over the Korean Wave on forming Korea’s macro country image. This implies that for US consumers, Korea’s prototypical brands such as Samsung, LG, Hyundai, Kia, etc., play a decisive role in shaping their image of Korea. The Korean Wave played the second most important role in shaping Korea’s image. The fact that these iconic brands have been marketed since the 1980s, which is earlier than the exports of K-pop and K-beauty that began in the mid-2000s, supports this notion (Samsung, n.d.). This finding also supports the schema and prototype theories in that the prototypical brands’ images were formed first among US consumers through exposure to and usage of the brands’ products, and then served as schemata and prototypical images around which Korea’s overall image is processed. Compared to its macro country image, Korea’s micro country image was less influenced by images of the prototypical brands and the Korean Wave. This finding is reasonable, considering that the micro image is more product specific than the country’s image; thus, specific product-related antecedents may play more decisive roles in its formation.

Second, this study found a positive influence of Korea’s macro image on its micro image (*H3*), and this finding was consistent in both product categories. It appears that Korea’s macro country image reflects a higher level mental schema in the minds of US consumers, which then influences their lower level mental schema (i.e. the micro country image).

Thus, Korea's macro country image may serve as a halo. That is, US consumers evaluate their product-specific country image (i.e. micro country image) based on their overall impression of the country (i.e. macro country image).

Third, the positive impact of Korea's macro image on consumers' evaluation of the quality of its products was supported only in the case of tires (*H4*), not cosmetics. Therefore, it is probable that considering how country image and brand image play a predominant role in the evaluation of cosmetic products (Kumar and Steenkamp, 2013), the macro image of Korea may not be strong or clear enough for US consumers to evaluate the quality of Korean cosmetics. However, Korea's overall image is often characterized as technologically advanced (Kinsey and Chung, 2013); thus, this image helped US consumers evaluate the quality of Korean tires positively. In contrast, the micro country image had a positive effect on perceptions of product quality in both product categories (*H5*) (0.86 in cosmetics and 0.80 in tires). While we could not test differences between the two product categories, it seems that a product-specific country image is more important for evaluating the quality of experiential goods (i.e. cosmetics) than it is when considering rational goods (i.e. tires). Collectively, these findings suggest that the effect of country image on product evaluation may vary by macro and micro level and by product category. This is consistent with Pappu *et al.*'s (2007) study which found the importance of macro and micro country image to be product category specific.

Fourth, the path from the Korean Wave to purchase intention was shown in both product categories, while the path from the Korean Wave to product quality evaluation was only significant in cosmetics, not tires. The importance of the Korean Wave in exporting Korean products, cosmetics in particular, is well documented (Arthur, 2016; Han, 2014); thus, it was anticipated that the Korean Wave would have a direct impact on intentions to purchase Korean cosmetics. We did not, however, expect to find a direct relationship between the Korean Wave and intentions to purchase Korean tires, as this involves seemingly unrelated sectors.

The findings of this study expand country image studies in multiple ways. By empirically testing two less-examined antecedents in the contexts of a country whose image is less distinct in the minds of US consumers, this study adds a new perspective to the literature in regard to how a less distinctive country's image can be enhanced, and what factors can shape its image. The findings of this study provide empirical evidence demonstrating that representative corporate brands (i.e. a prototypical brand's image) from a country with a less distinctive country image do help form that country's image on both macro and micro levels.

Second, this study contributes to the literature by confirming that a country's influential cultural events (i.e. the Korean Wave) can have a substantial impact on creating both macro and micro country images: "The stability of country image is a function of the degree of familiarity and knowledge of the country with respect to economic, political and cultural elements" (Magnusson *et al.*, 2014, p. 33). For countries such as Korea that have recently gained developed country status, new economic, political and cultural information will have a critical role in forming stable country images. This study demonstrated that pronounced economic (i.e. prototypical brand image) and cultural information (i.e. Korean Wave) of the country does help develop a stable country image, which adds a new finding to the literature. Third, by testing the proposed framework in two product categories, this study identified patterns of similarities and differences between product categories. This approach adds new insight to the literature, since this study explains why such differences may have emerged.

This study offers useful implications for both practitioners and policymakers, especially in countries whose economic status has recently changed. For countries with vague or less distinctive country images, the image of prototypical brands should be carefully managed for the sake of developing their country image, as global consumers are exposed to these brands before a clear country image is formed, such as Korea's Hyundai and Samsung did in

the USA. To build a robust country image, marketers' conscious efforts to increase visibility and induce perceptions of the quality of a country's products are critical.

The Korean Wave exerted a substantial influence, not only on the formation of the macro and micro country image, but also on the evaluation of product quality and purchase intentions of products from that country. The influence of the Korean Wave is more prominent in cosmetics because of the easy image transfer from entertainment to cosmetics. Therefore, marketers of experiential goods can utilize influential cultural events to promote their goods. In addition, it should be noted that the Korean Government provided tax incentives and funding for various entertainment outlets, such as the television and pop music industries, to enhance the Korean image and increase exports (Hong, 2014; Kuwahara, 2014). Countries with less distinctive images, therefore, should consider adopting this strategy.

#### *Limitations and future studies*

Because of Korea's less distinctive country image, a unidirectional relationship from a prototypical brand's image to the overall country image was assumed in the proposed research framework. However, if the same framework is tested in a country whose country image is strong, such as the USA and the UK, the relationship between a prototypical brand's image and overall country image may be bidirectional, or may trend in the opposite direction (i.e. image transfer from country image to corporate image). Similarly, once Korea's image is well established like that of the USA and the UK, prototypical brands' images may no longer play such a decisive role. This study was conducted before the Samsung scandal and the Pyeongchang Winter Olympics in 2017; thus, the findings of this study may not capture the possible effect of both events on Korea's image. Therefore, the proposed model should be tested in other countries to clearly discern the role of prototypical brands' images. In addition, the proposed framework was examined through the lens of US consumers; however, different findings may emerge if the same framework is tested with Asian consumers where the popularity of Korean Wave is more pervasive. Therefore, it is recommended that future studies test the proposed framework among more diverse groups of consumers.

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**Appendix 1**

Prototypical  
brands and  
cultural  
influences

Items	Factor loading	Cronbach's $\alpha$
<i>First order</i>		
Market presence		
Easy to service here	0.84	0.87
Informative in their advertisements	0.87	
Heavily advertised in the USA	0.73	
Sold worldwide	0.71	
Product style		
Marked in a wide range of styles	0.86	0.88
Good looking (stylish)	0.85	
Luxurious	0.79	
Product value		
High-quality consumer items	0.89	0.86
Innovative	0.91	
Made with meticulous workmanship	0.86	
Highly technical	0.85	
<i>Second order</i>		
Market presence	0.98	0.93
Product style	0.99	
Product value	0.97	

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**Table AI.**  
The results of  
second-order CFA:  
prototypical  
brand image

**Notes:**  $\chi^2 = 134.94$  (df = 41),  $\chi^2/df = 3.29$ ,  $p = 0.000$ , SRMR = 0.03, GFI = 0.91, AGFI = 0.86, NFI = 0.95, TLI = 0.95, CFI = 0.96, RMSEA = 0.09

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Items	Factor loading	Cronbach's $\alpha$
<i>First order</i>		
Technological		
Highly developed economy	0.77	0.82
High level of industrialization	0.91	
Economic		
High standard of living	0.95	0.75
High labor costs	0.63	
Political		
Civilian non-military government	0.74	0.86
Literate	0.72	
Free-market system	0.90	
Democratic	0.80	
<i>Second order</i>		
Technological	0.96	0.89
Economic	0.92	
Political	0.91	

**Table AII.**  
The results of  
second-order CFA:  
macro country image

**Notes:**  $\chi^2 = 52.17$  (df = 17),  $\chi^2/df = 3.07$ ,  $p = 0.000$ , SRMR = 0.03, GFI = 0.95, AGFI = 0.89, NFI = 0.96, TLI = 0.96, CFI = 0.97, RMSEA = 0.09

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