

The-Effect-of-Country-of-Origin-Service

by Adilla Anggraeni

Submission date: 11-May-2018 10:58AM (UTC+0700)

Submission ID: 962227253

File name: The-Effect-of-Country-of-Origin-Service_Adilla.pdf (358.38K)

Word count: 7625

Character count: 42315

The Effect of Country of Origin Service Quality and Brand Redeployment after M&A: The Case of Tiger Air-Mandala Airline

Adilla Anggraeni, Binus Business School, Bina Nusantara University, West Jakarta, Indonesia

Kendy Hasan, Binus Business School, Bina Nusantara University, West Jakarta, Indonesia

ABSTRACT

The purpose of the research is to confirm that general country attribute; service quality and the redeployment strategies are variables needed by the company to smooth the process of the merger and acquisition. The main research framework was replicated from the work of Lee and Lee (2011) with alterations to suit the context of the current study. The data were collected from 150 respondents through offline and online questionnaire. Simple and multiple linear regressions are the hypothesis testing chosen for this study. ANOVA and Post-Hoc Duncan are performed to differentiate which of the five redeployment strategies is the best used by the company after done the merger and acquisition. The results conclude that general country attributes and service quality are positively linked to purchase intention in the case of Tigerair Mandala Airlines. Country of origin was found to have the most significant influence toward purchase intention, whereas service quality has the significant influence toward purchase intention.

KEYWORDS

Airlines, Brand Redeployment, Country of Origin, Indonesia, Service Quality

1. INTRODUCTION

Some companies have been successful in maintaining their performance after making acquisitions, while others have failed. One influencing factor that has become a key consideration for a company to do mergers and acquisitions is the company's country of origin. The products and technology owned by a company can also become a consideration for big companies to merge with smaller companies as the products and technology are needed to boost the companies' growth and increase their competitiveness (Lee, 2011).

In recent decades, many companies have conducted mergers and acquisitions as a strategy to grow and expand their businesses (Seth, 2000; Buckley and Ghauri, 2002; Shimizu, 2004). There are many reasons leading to a company's mergers and acquisitions such as a changing market environment and the impact of globalization (Weber, 1996; Ashkenas, 1998; Boateng and Bjørtuft, 2003). The attractiveness of the products and technological advancements also can become a consideration for a big company to merge with a smaller company as the products and technology are needed to speed up the companies' growth and improve their competitiveness in the market.

Indonesia is no exception to this trend. This can be seen from different companies which have done mergers and acquisitions in recent years. Although studies on mergers and acquisitions have been extensively conducted in a variety of contexts, studies involving service companies and airlines in particular are still sparse and very few in-between. For that reason, the merger of Tiger Air and Mandala is utilized as a context of this study as they were the first airline companies to conduct M&A in Indonesia.

Tiger Airways Singapore was incorporated on 12 December 2003. It began its ticket sales on 31 August 2004. The airline was the first to operate from the budget terminal at Changi Airport in order to achieve operating-cost savings and meet its cost structure. The merger between Tigerair and Mandala was executed in 2013 (XinhuaNet, 2013).

Despite the growing number of study on merger and acquisition and the impact towards the merged companies' brands, few studies dealt with the impact on two companies which are based on two different countries. Balmer and Dinnie (1999) assumed that many of the company also failed when doing merger and acquisition. Most of the reason is because of the difficulty to maintain the value of the brand names during the process of the merger and acquisition. Most of the company will seek that brand name is not an important part but in the reality the brand name plays an important role. A good brand name will become one of the predictor of the purchase intentions as well as the perceived quality (Ahmed and d'Astous, 1996).

This study's framework and research model were adopted from Hsiang-Ming Lee and Ching-Chi Lee's study (2011) on mergers and acquisitions and its impact on the brand redeployment strategy. The current study, however, is aimed at investigating whether service quality and the brand redeployment strategy will impact consumers in purchasing the service provided by Tigerair-Mandala.

2. LITERATURE REVIEW

2.1. Introduction

Low-cost carriers are carriers or airlines which are characterized by their specific brand, pricing, distribution, airport, network, classes, equipment, and the target group. The low-cost carriers or airlines usually offer affordable tickets due to their ability to reduce the cost complexity.

When big companies merge with smaller companies, there is no doubt that some of the variables would also become a consideration. Technology has become more important in people's lives, as it also enables people to easily access information about the product during the process of purchasing the product (Ozretic-Dosen, Skare, and Krupka 2007).

Another variable that is also considered important by companies to do mergers and acquisitions is the country of origin of the company that is going to be merged by a bigger company. In some cases, the image of the country of origin from the companies that are going to be merged can also affect the overall evaluations and perceptions of the customers toward the product (Thakor and Katsanis, 1997). The impact of the country of origin also can affect the airline industry. From the example given above, most of the airlines only conducted mergers with airlines that had a similar level of country of origin image. This would mean that the higher the country of origin image, the higher the chance for the company to do mergers and acquisitions.

Besides the impact of the country of origin image, there is also another variable that plays an important role in mergers and acquisitions. Balmer and Dinnie (1999) argued that many of the companies failed when doing mergers and acquisitions due to a variety of reasons, but especially the failures were caused by not establishing a prominent brand identity. The primary reason is because of the difficulty to maintain the value of the brand names during the merger and acquisition process.

A good brand name will become one of the predictors of purchase intentions as well as the perceived quality (Ahmed and d'Astous, 1996).

In some cases, various companies do investments to develop and maintain the brand name. Furthermore, most successful companies use this solution to maintain a new brand after the mergers and acquisitions have already occurred. Some companies maintain the trust and loyalty of customers by having a strong brand name (Keller, 1998).

Another way to have a good brand name is by selecting a proper brand redeployment strategy. It is important because the right brand redeployment strategy can make a combined vision and function as an important signal toward the outside world and the employees that work inside the company. This can also fulfill the company's mission and vision (Ettenson and Knowles, 2006). This can positively impact the perception and trust of the customers with the new brand (Jaju, 2006).

This research strives to find out the impacts as well as provide some insights into some alternative strategies in brand redeployment. The research aims to investigate the country of origin image on the customer perception of the new brand or product. Next, this study determines what strategy would be best used for the company to establish a successful brand redeployment effect in order to sustain the merger and acquisition to become successful.

2.2. Country of Origin Image

The country of origin image refers to the customers' evaluation toward the quality of the product that was made by the particular country as well as people that came from that country (Knight and Calanton, 2000). In some cases, the images of the country in which the product was made can influence consumer perception toward the product that was made by the following country (Laroche, 2003). Some customers may already have a different kind of perception toward a product that is made in a particular country. For example, people may possess different perceptions when evaluating electronic products made in China or Japan.

Many factors can influence customers' perceptions toward the products made in some countries. The factors that influence the perceptions would be the economics, politics, level of education, and culture of the people of the particular country. Then these factors create an image of the country or country of origin image (Parameswaran and Pisharodi, 2002). Country of origin image has also been observed to have influence on brands (Ruth and Simonin, 2003).

Another reason of a positive country of origin image to become one of the considerations for a big company to do a merger and acquisition with a small company is because there is an impact toward the tendency of the customers to purchase the product (Papadopoulos and Heslop, 2002; Knight, Holdsworth, and Mather 2007). This is due to the role of a good country of origin image which represents the good quality of the product in customers' perception and mindset. This perception plays an important role in influencing customer purchasing decisions. Moreover, the country of origin also becomes one of the benchmarks for customer in determining whether the product resulting from the merger has good quality or not (Papadopoulos and Heslop, 2002; Knight et al., 2007).

The country of origin also plays an important role when the consumers are unfamiliar with the product or the brand that can be found in the worldwide market, and in this case the country of origin serves as an extrinsic cue rather than an intrinsic cue (Parameswaran and Pisharodi, 1994). The reason is the intrinsic cue is more related to an evaluation of quality and performance. Evaluating the quality and performance of a product or service can be difficult (Parameswaran and Pisharodi, 1994). Using the country of origin as an extrinsic cue, this makes the consumers have higher preferences towards the products or the brands made in a country that have a higher country of origin image rather than a low country of origin image (Liu and Johnson, 2005).

2.3. General Country Attributes

In this era of globalization and high growth of the global market, country-of-origin has become an increasingly important factor. The country of origin factor also can influence the behavior and the

purchasing decision of the customer toward a particular product. Nowadays, most customers do care about the country that made a particular product (Parkvithee and Miranda, 2012). The country attributes can affect the customer perception when evaluating the quality of a particular product that was made by a certain country (Parkvithee and Miranda, 2012).

Previous studies have shown how different cultures can lead to different perceptions among customers toward a particular product. There are many factors which make the country of origin image play an important role in the consumer behavior and also the competitive markets. The preference of the customer and the stereotype of the country can affect the customer purchase intention (Alba and Hutchinson 1987; Herr 1989; Sujan 1985). The other factors such as the culture, political system, and the economy of the country will also become the benchmark of the customers when purchasing a particular product from a particular country (Teo, Mohamad, and Ramayah, 2011).

Therefore, it can be hypothesized that:

H1: Favorable general country attributes are positively related to consumer purchase intentions for the acquired product after M&A.

2.4. Service Quality

Service companies have been working under the assumption that good quality of service will lead to an increase in sales (Berry, Bennett, and Brown, 1989; Buzzell and Gale, 1987) and also customer satisfaction (Shamdasani, Mukherjee, and Malhotra, 2008). Other studies have noted how service quality can contribute to an improvement of market shares, customer retention, and profitability (Perez, Abad, Carilo, and Fernandez, 2007). Despite extensive research on service quality, previous scholars have argued that these notions still have to be tested in different service situations (Jacoby and Olson, 1985; Zeithaml, 1988).

In his seminal work, Parasuraman (1985) created a construct of the service quality determinants and came up with a complete set of service attributes that customers might use as criteria in measuring the service performance of a company. SERVQUAL is a 22-item scale for measuring service quality along five dimensions, which are reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman, 1985). The purpose of using SERVQUAL is to find out the service quality of a company from the customer expectation scores of 22 items.

The product quality component is easier to assess compared to the service component due to its tangibility. On the other hand, service components are frequently difficult to assess since they are intangible. The SERVQUAL scale has been utilized by various studies as a measurement of service quality. Despite being considered important, the SERVQUAL scale has been subjected to several criticisms, especially related to measurement expectations (Babakus and Mangold, 1992; Cronin and Taylor, 1992, 1994), the way to interpret the expectations (Teas, 1993, 1994), and its reliability and validity (Babakus and Boller, 1992; Brown, 1993). Besides that, the dimensionality of SERVQUAL (Carman, 1990; Finn and Lamb, 1991) has also been a subject of criticism. In response to these problems, SERVQUAL developers have presented some evidence on the practical value and the instrument's psychometric soundness (Parasuraman et al., 1991, 1993; Parasuraman, Zeithaml, and Berry 1994).

An examination of the service quality literature generally finds that most authors define service quality as an overall appraisal of a product or service that is dependent on consumers' prior expectations (Gronroos, 1984; Bitner and Hubbert, 1994; Hooper, Coughlan, and Mullen, 2013). The consumer decision-making process is complex and exhaustive (Gounaris, Dimitriadis, and Stathakoupoulous, 2010) with a variety of influencing factors. Service quality literature has shown that service quality can act as an antecedent of behavioral intention (Cronin, Brady, Brand, Hightower, and Shemwell, 1997; Sweeney, Soutar, and Johnson, 1999), and in this case also purchase intention.

12
From a managerial perspective, the studies on service quality dimensions have assisted managers in identifying the importance of ensuring that efforts are made to deliver the right service and to meet or even exceed the customer expectations (McDougal and Levesque, 2000). Besides that, service quality is critical in gaining a competitive advantage (Pecotich, Pressley, and Roth, 1996), especially since both service quality and customer satisfaction have been known as key influencers of customer purchase intentions in the service area (Taylor and Baker, 1994). These two variables are deemed important in the service industry such as the airline industry.

Past research has supported the relationship between service quality and purchase intention (Bitner, 1990; Boulding, 1993). Kwun and Oh (2004) have also suggested that consumer value such as the price, brand, and risk effect also have an impact toward the purchase intention. This would mean that the higher the service quality, the higher will be the customer purchase intention.

Therefore, it can be hypothesized that:

H2: Service quality has a significant positive effect on the customer purchase intention after M&A.

2.5. Purchase Intention

Blackwell (2001) defined purchase intention as a subjective judgment about what the customer is going to purchase in the future. So the purchase intention also can be defined as customer intention to subscribe a service firm or purchase a product (Shao, 2004).

Turney and Littman (2003) argue that consumer intention to buy arises when the consumers already know from which manufacturer or which brand the consumers are going to buy a particular product. Purchase intention can be related to the behavior of the consumer toward the product or the brand. Fournier (1998) argues that when the product specification of the brand can meet the needs and wants of the consumers, the consumers will raise their intention toward purchasing that particular brand. Monroe and Krishnan (1985) and Zeithaml (1988) have also argued that the value and the outstanding service offered by the company can also affect the consumer purchase intention.

Currently, an increasing challenge in the international market can stem from the availability of alternatives for customers and an increased number of players in the market. The consumer intention exists when the consumer already has an awareness to purchase that particular product without having to make any consideration or evaluation (Shabbir, Kirmani, Iqbal, and Khan, 2009).

26 Purchase intention is also associated with the demographic factors (Lu, 2007). The specification of the product, the perception of the consumer, and the country of origin also influence the intensity of the consumer purchase intention (Wang, Li, Barnes, and Ahn, 2012). This means that the purchase intention of the consumer can be seen as being related to the behavior of the consumer to make a decision to purchase or can be the psychological action of the consumer toward a particular product or brand (Wang and Yang, 2008).

39
When the consumers are going to purchase a particular product, the information of the country of origin can affect the consumer decision-making process (Jun and Choi, 2007). Some consumers constantly have a risk when purchasing a product from a low country of origin, because the product that comes from a low image of country origin has quality that is not really trusted by the customer (Ahmed et al., 2002).

1
1
Most consumers prefer to purchase a product or service that is made in a developed and politically free country (Thakor and Katsanis, 1997). This notion is supported by Yaprak and Parameswaran's (1986) and Parameswaran and Pisharodi's (1994, 2002) studies, which revealed that general country attributes and service quality can directly affect the purchase intention. Besides that, general country attributes also have a positive effect on the purchase intention as well as the service quality.

Therefore, it can be hypothesized that:

1

H3: General country attributes and service quality have a significant positive effect on consumer purchase intentions after M&A.

2.6. Brand Redeployment

Most of the companies that do mergers and acquisitions would also consider some critical aspects, such as the redeployment of the assets of both the acquired and the acquirer. Due to organizational complexity, many resources such as brand and sales force are difficult to redeploy (Capron and Hulland, 1999). The most important aspect that was believed to make the merging firm become stronger in the market is the brand equity of the brand names. Consequently, many of the companies look for a good name for the merger and the acquisition company and also the brand of the product that will be made by the company that already did the merger and acquisition. The research also identified two important criteria in making a new brand name which consists of image and function. The image refers to the differentiation of the product compared to other competitors. While the functional name is a simple characteristic of a word that makes the spelling become easy and also enables the customers to remember the brand name easily.

Wernerfelt (1998) has suggested that using a combination of two brands can provide stronger assumptions of the consumer toward the product quality assurance rather than one name brand only. This kind of assumption supports leveraging the brand equity from all the available resources. Furthermore, since the brand equity comes from consumer associations toward the brand, any changes to the brand can lead to risks (Keller, 1993). A brand redeployment strategy is done in order to reposition the brand and the product by creating a new name (Jaju, Joiner, and Reddy, 2006). According to Jaju et al. (2006), there are five corporate brand redeployment strategies, including:

1

1. **Non-Synergistic Redeployment:** A new company and brand is created.
2. **Pure Synergistic Redeployment:** For example, Tiger Airline acquired Mandala Airline, so Mandala retained the brand names, but became a division of Tiger Airline.
3. **Acquirer-Dominant Redeployment:** only the Tiger brand remains.
4. **Target-Dominant Redeployment:** using only the Mandala brand.
5. **Synergistic Redeployment:** a Tiger-Mandala or Mandala-Tiger brand starts.

Brand redeployment is seen as one of the important variables that can affect consumer perception toward a new brand. This will also affect the sales of the company after a merger or acquisition (Kardes and Kalyanaram, 1992). It stated that the possibility of using a different corporate name is crucial for companies undergoing mergers and acquisitions (Melewar and Harrold, 2000, in Gussoni and Mangani, 2012). Jaju et al. (2006) argued that the decrease of the brand equity of the company after the company did a merger and different kinds of strategies would lead to different kinds of impacts toward the performance of the brand.

Changing the brand after companies undergo M&A can have serious implications. For example, this move will send a strong signal to the market and the customers, indicating that the move will lead to a possible transformation with changes in the company direction (Gussoni and Mangani, 2012). This suggests that different kinds of strategies when deciding the brand names or product names can influence consumer perception toward the product; this will also have a direct impact on consumer purchase intention.

The relationship between the brand degree of economic development and the consumer product evaluations has been observed (Bilkey and Nes, 1982). This leads to consumers from developing countries to prefer products or companies that are from developed countries. As such, it is possible that

21

when a company from a developing country acquires a company from a developed country, the brand name should be maintained to attract more consumers. So this results in the following hypothesis.

1

H4: Corporate brand redeployment alternatives have different effects on consumer purchase intention after M&A, and the target-dominant redeployment (Mandala Brand) outperforms the synergistic redeployment (Tiger Mandala or Mandala Tiger Brand), acquirer dominant (only Tiger brand), and non-synergistic redeployment (a new company or brand) strategies.

3. RESEARCH METHODOLOGY

In the study, the samples were narrowed down to individuals who have been customers of Tiger-Mandala airlines in the past, as they are expected to possess knowledge required to answer the questions. The study employed 150 respondents in total.

The questionnaire was pre-tested to 30 individuals to ensure the validity and reliability of the measurements. Mistakes that occurred in the first stage of the pre-test were evaluated and re-worded in order to ensure the clarity of the questionnaire before the questionnaires were distributed to more research samples.

The data collected from the respondents included some demographic variables. The demographic data collected was assessed with the use of frequency distribution. Personal information such as education, age, gender, occupation, and expenditures were collected.

The measurement was adopted from Lee and Lee (2011) for general country attributes, service quality, and purchase intention. Some adjustments were made to reflect the context of the existing research.

This research utilized a Cronbach's Alpha and Confirmatory Factor Analysis for a reliability and validity analysis. Simple and multiple regression analyses were conducted to test the hypotheses. An analysis of covariance and post-hoc ANOVA was conducted to test the different kinds of redeployment strategies toward the demographic aspects of the respondents.

37

4. FINDINGS AND DISCUSSION

4.1. Reliability and Validity

The pre-test results show that all the measurements are reliable and valid (Table 1).

The Cronbach's Alpha for all of the variables exceeded the acceptance level of 0.6. As can be seen from the table above, all the measurements are valid and reliable.

4.2. Demographic Findings

The respondents of this research consist of 64 males and 86 females, with occupation ranging from students, employees and small percentage of entrepreneurs. Majority of respondents are university educated (56%).

Table 1. Reliability and validity

Variable	KMO	Cronbach's Alpha
General country attributes	0.806	0.935
Service quality	0.807	0.965
Purchase intention	0.786	0.915

There were 3 variables analyzed using a simple linear regression. The first analysis was conducted to see the relationship between the general country attributes (see Table 2).

4.3. ANOVA

10

An ANOVA test was conducted to measure the differences between the respondent groups in terms of their perceptions towards corporate brand redeployment involving demographic variables of the respondents. From all the demographic variables included in the study, only occupation was shown to be a variable with significant differences between the respondents. No significance difference was observed between individuals with different ages, last education level, and expenses in relation to their perception toward corporate brand redeployment.

5. CONCLUSION

The research aims to gain insights into the variables influencing purchase intention. It also considers which of the corporate brand redeployment strategies would be the best to use by a company to make a merger or acquisition become successful. The research has 4 variables: (1) general country attributes, (2) service quality, (3) purchase intention, and (4) corporate brand redeployment.

General country attributes are proven to have a direct linear effect on the purchase intention. These findings are consistent with the previous studies (Parameswaran and Pisharodi, 2002; Chao et al., 2005). The country of origin plays an important role because as many international companies keep extending their markets, the consumers have many different choices when purchasing a product or service (Insch and McBride, 2001). The country of origin image also creates a better picture regarding how the consumer can use the country of origin image as an external cue to evaluate a product or service (Knight and Calanton, 2000; Laroche, Papadopoulos, Heslop, and Mourali 2005). So in the process of a merger or acquisition, a company not only gains tangible assets, but also intangible assets such as the brand.

The findings of this study suggest that service quality has a direct linear effect on purchase intention. This means that the service quality given by a service provider can affect the customer purchase intention toward a product or service given by a company. These findings can be related to previous studies which support the notion of a relationship between service quality and purchase intention (Bitner, 1990; Boulding, 1993). The higher the service quality, the higher the consumer purchase intention will be toward a particular product or service. This would suggest that Tigerair

Table 2. Demographic findings

Hypothesis	R ²	p-value	Remark
H1: Favorable general country attributes are positively related to consumer purchase intentions for the acquired product after M&A	0.883	0.00	Supported
H2: Service quality has a significant positive effect on the customer purchase intention after M&A	0.865	0.00	Supported
H3: General country attributes and service quality have a significant positive effect on consumer purchase intentions after M&A	0.892	0.00	Supported

Mandala should maintain and improve its service delivery level as to encourage a higher purchase intention of customers.

The findings on general country attributes and service quality suggest that both variables have a direct linear effect on the purchase intention. This implies that the consumer will consider both the country of origin image of the company when purchasing a product or service and the service quality in making a purchasing decision. The findings support a previous study by Perez, Abad, Carrillo, and Fernandez (2007) who found that service quality dimensions contribute to purchase intention of the individuals. This means that any necessary expenditures associated with improving the service quality spent by service companies are justified.

The findings of the study show that customers from different backgrounds do not view redeployment strategy alternatives differently. One of the reasons can be because Tigerair Mandala has not developed high brand awareness, so that most of the customers were still not aware of the new merged airlines and the new brand associated with it. This would lead to inconclusive finding in terms of brand redeployment strategy and which strategy would be the most suitable for Tigerair Mandala airline.

Many companies do mergers and acquisitions to let the companies gain more market shares, as well as access to the new market and brand, which is considered an intangible asset. The company also needs to consider the impact of country of origin, as this can also affect the merger and acquisition results. So in the case of Tigerair Mandala, Tigerair was seen as possessing a good country of origin image, which can make Mandala have a better brand after the company does a merger or acquisition.

In the airline industry in Indonesia, Tigerair Mandala was the first company to do a merger and acquisition. There is a high possibility that many airline industry consumers did not notice that Tigerair and Mandala did a merger and acquisition. This is proven from the results of ANOVA, which reveal there is no significant difference between the demographic groups toward the corporate brand redeployment.

Tigerair Mandala's coalition was ongoing for less than a year by the time this research was conducted. It is possible that many of the consumers of the low cost carrier are still not aware of the Tigerair Mandala brand. These research findings may imply that Tigerair Mandala needs to create more aggressive promotional strategies through billboards, television commercials, or radio commercials in order to create higher brand awareness, so that the company can set a better redeployment strategy to succeed after engaging in mergers and acquisitions, as suggested by Burton (1990). In terms of brand strategy, Lambkin and Muzellec (2008) have argued that dissimilarity of acquiring and an acquired brand actually leaves fewer reasons to rebrand. However, in the case of Tigerair Mandala, the company has a stronger reason to rebrand as the two companies are in the same industry.

An interesting finding by He and Balmer (2013) indicates the importance of establishing a clear corporate identity to ensure the clarity of a company's strategic vision. This puts even further emphasis on the importance of establishing and communicating their new brand to the customers of Tigerair Mandala. The introduction of a new brand after M&A has to reflect the brand gradual evolution; which integrates the corporation cultures and values (Kernstock and Brexendorf, 2012).

Several limitations were encountered in conducting this research. As the research was conducted only in Jakarta, the results may only be applicable in the Jakarta area. It is also acknowledged that a higher sample number would increase the accuracy of the findings. Lastly, as the Tigerair Mandala's merger had lasted for less than a year when this research was conducted, there is a high possibility that the brand familiarity was not there yet. Thus, it could lead to a lesser impact of brand redeployment strategy.

Possible research opportunities can be further explored. To improve the research validity, questionnaires need to be distributed more equally across different age groups. The total number of respondents also needs to be increased in order to have a better result, so a better comparison can be made involving the demographic variables. The distribution area needs to be wider rather than just the Jakarta area. The questionnaires can also be distributed outside of Jakarta to see the differences

in consumer perceptions toward the product or the service given by the company and also the brand of the company after a merger or acquisition.

Second, the study can be conducted in other industries as well. In the service industry, many of the people do not only consider the country of origin of a particular company that acquires another company but also the service quality. It is possible that more insights can be provided by doing a comparison study between different service sectors besides airlines to deepen the understanding of the subject matter. As it is expected that customers perceive products and services differently, the differences in characteristics between the manufacturing industry and the service industry as the study context may have led to different research findings.

It is understood that by the time the research was published, Mandala Airline has gone under. The research mainly reflects the situation during the time the research was conducted in early 2013.

REFERENCE

- Ahmed, S. A., & d'Astous, A. (1996). Country-of-origin and brand effects: A multi-dimensional and multi-attribute study. *Journal of International Consumer Marketing*, 9(2), 93–115. doi:10.1300/J046v09n02_05
- Ahmed, Z. U., Johnson, J. P., Yang, X., Kheng Fatt, C., Sack Teng, H., & Chee Boon, L. (2004). Does country-of-origin matter for low-involvement products. *International Marketing Review*, 21(1), 102–120. doi:10.1108/02651330410522925
- Babakus, E., & Boller, G. W. (1992). An empirical assessment of the SERVQUAL scale. *Journal of Business Research*, 24(3), 253–268. doi:10.1016/0148-2963(92)90022-4
- Balmer, J. M., & Dinnie, K. (1999). Corporate identity and corporate communications: The antidote to merger madness. *Corporate Communications: An International Journal*, 4(4), 182–192. doi:10.1108/13563289910299300
- Bilkey, W. J., & Nes, E. (1982). Country-of-origin effects on product evaluations. *Journal of International Business Studies*, 13(1), 89–99. doi:10.1057/palgrave.jibs.8490539
- Burton, S. (1990). The framing of purchase for services. *Journal of Services Marketing*, 4(4), 55–67. doi:10.1108/EUM000000002525
- Capron, L., & Hulland, J. (1999). Redeployment of brands, sales forces and general marketing management expertise following horizontal acquisitions: A resource-based view. *Journal of Marketing*, 63(2), 41–54. doi:10.2307/1251944
- Chao, P. (1998). Impact of country-of-origin dimensions on product quality and design quality perceptions. *Journal of Business Research*, 42(1), 1–6. doi:10.1016/S0148-2963(97)00129-X
- Cronin, J. J., Brady, M. K., Brand, R. R., Hightower, R. Jr, & Shemwell, D. J. (1997). A cross-sectional test of the effect and conceptualization of service value. *Journal of Services Marketing*, 11(60), 375–391. doi:10.1108/08876049710187482
- Cronin, J. J. Jr, & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55–68. doi:10.2307/1252296
- Cybriwsky, R., & Ford, L. R. (2001). City profile: Jakarta. *Cities (London, England)*, 18(3), 199–210. doi:10.1016/S0264-2751(01)00004-X
- Dagger, T. S., & Raciti, M. M. (2011). Matching consumers' country and product image perceptions: An Australian perspective. *Journal of Consumer Marketing*, 28(3), 200–210. doi:10.1108/07363761111127626
- Elliott, G. R., & Cameron, R. C. (1994). Consumer perception of product quality and the country-of-origin effect. *Journal of International Marketing*, 2(2), 49–62.
- Etteson, R., & Knowles, J. (2006). Merging the brands and branding the merger. *MIT Sloan Management Review*, 47(4), 39–49.
- Gounaris, S., Dimitriadis, S., & Stathakopoulos, V. (2010). An examination of the effects of service quality and satisfaction on customers' behavioral intentions in e-shopping. *Journal of Services Marketing*, 24(2), 142–156. doi:10.1108/08876041011031118
- Gussoni, M., & Mangani, A. (2012). Corporate branding strategies in mergers and acquisitions. *Journal of Brand Management*, 19(9), 772–787. doi:10.1057/bm.2012.19
- Han, C. M. (1989). Country image: Halo or summary construct? *JMR, Journal of Marketing Research*, 26(May), 222–229. doi:10.2307/3172608
- Heslop, L. A., & Papadopoulos, N. (1993). But who knows where or when: Reflections on the images of countries and their products. In N. Papadopoulos, & L. Heslop (Eds.), *Product-Country Images: Impact and Role in International Marketing* (pp. 39–75). New York: International Business Press.
- Hong, S., & Wyer, R. S. Jr. (1989). Effects of country-of-origin and product-attribute information on product evaluation: An information processing perspective. *The Journal of Consumer Research*, 16(September), 175–187. doi:10.1086/209206

- Hu, X., Li, L., Xie, C., & Zhou, J. (2008). The effects of country-of-origin on Chinese consumers' wine purchasing behavior. *Journal of Technology Management in China*, 3(3), 292–306. doi:10.1108/17468770810916195
- Huber, J., & McCann, J. (1982). The impact of inferential beliefs on product evaluations. *JMR, Journal of Marketing Research*, 9(3), 324–333. doi:10.2307/3151566
- Hulland, J., Todino, H. S., & Lecraw, D. J. (1996). Country-of origin effects on sellers' price premiums in competitive Philippine markets. *Journal of International Marketing*, 4(1), 57–79.
- Jacoby, J., & Kaplan, L. B. (1972). The components of perceived risk. In M. Venkatesan (Ed.), *Proceedings of the 3rd Annual Conference of the Association for Consumer Research* (pp. 382–393). Chicago, IL: Association for Consumer Research.
- Jaju, A., Joiner, C., & Reddy, S. K. (2006). Consumer evaluations of corporate brand redeployments. *Journal of the Academy of Marketing Science*, 34(2), 206–215. doi:10.1177/0092070305284989
- Jo, M.-S., Nakamoto, K., & Nelson, J.E. (2003). The shielding effects of brand image against lower quality countries-of-origin in global manufacturing. *Journal of Business Research*, 56(8), 637–646.
- Johansson, J. K. (1993). Missing a strategic opportunity: Managers' denial of country-of-origin effects. In C. Papadopoulos & L. Heslop (Eds.), *Product-Country Images: Impact and Role in International Marketing* (pp. 77–86). New York: International Business Press.
- Kaynak, E., Kucukemiroglu, O., & Hyder, A. S. (2000). Consumers' country-of-origin (COO) perceptions of perceptions of imported products in a homogenous less-developed country. *European Journal of Marketing*, 34(9/10), 1221–1241. doi:10.1108/03090560010342610
- Keller, K. (2008). *Strategic Brand Management*. USA: Pearson Prentice Hall.
- Kernstock, J., & Brexendorf, T. O. (2012). Corporate brand integration in mergers and acquisitions—An action research-based approach. *Corporate Reputation Review*, 15(3), 169–178. doi:10.1057/crr.2012.10
- Knight, G. A., & Calantone, R. J. (2000). A flexible model of consumer country-of-origin perceptions: A cross-cultural investigation. *International Marketing Review*, 17(2), 127–145. doi:10.1108/02651330010322615
- Knight, J. G., Holdsworth, D. K., & Mather, D. W. (2007). Country-of-origin and choice of food imports: An in-depth study of European distribution channel gatekeepers. *Journal of International Business Studies*, 38(1), 107–125. doi:10.1057/palgrave.jibs.8400250
- Kotler, P. (2011). Philip Kotler's Contributions to Marketing Theory and Practice. *Review of Marketing Research: Special Issue—Marketing Legends*, 8, 87–120. doi:10.1108/S1548-6435(2011)0000008007
- Laroche, M., Papadopoulos, N., Heslop, L. A., & Mourali, M. (2005). The influence of country image structure on consumer evaluations of foreign products. *International Marketing Review*, 22(1), 96–115. doi:10.1108/02651330510581190
- Leclerc, F., Schmitt, B. H., & Dube, L. (1994). Foreign branding and its effects on product perceptions and attitudes. *JMR, Journal of Marketing Research*, 31(2), 263–270. doi:10.2307/3152198
- Lee, H., & Lee, C. (2011). Country-of-origin and brand redeployment impact after brand acquisition. *Journal of Consumer Marketing*, 28(6), 412–420. doi:10.1108/07363761111165921
- Liefeld, J. P. (1993). Experiments on country-of-origin effects: Review and meta-analysis of effect size. In C. Papadopoulos, & L. Heslop (Eds.), *Product-Country Images: Impact and Role in International Marketing* (pp. 117–146). New York: International Business Press.
- Lin, L. Y., & Chen, C. S. (2006). The influence of the country-of-origin image, product knowledge, and product involvement on consumer purchase decisions: An empirical study of insurance and catering services in Taiwan. *Journal of Consumer Marketing*, 23(5), 248–265. doi:10.1108/07363760610681655
- Lodoros, G., & Boateng, A. (2006). The role of culture in the merger and acquisition process: Evidence from the European chemical industry. *Management Decision*, 44(10), 1405–1421. doi:10.1108/00251740610715722
- Machado, J. C., Valcas-Carvalho, L., & Costa, P. (2012). Rebranding mergers: How attitudes influence consumer choices. *Journal of Brand Management*, 19(6), 513–524. doi:10.1057/bm.2011.58

- Maheswaran, D. (1994). Country of origin as a stereotype: Effects of consumer expertise and attribute strength on product evaluations. *The Journal of Consumer Research*, 21(2), 354–365. doi:10.1086/209403
- McDougall, G., & Levesque, T. (2000). Customer satisfaction with services: Putting perceived value into the equation. *Journal of Services Marketing*, 14(5), 392–410. doi:10.1108/08876040010340937
- Muzellec, L., & Lambkin, M. (2008). Corporate rebranding: Destroying, transferring or creating brand equity? *European Journal of Marketing*, 40(7/8), 803–824.
- Nagashima, A. (1970). A comparison of Japanese and US attitudes toward foreign products. *Journal of Marketing*, 34(1), 68–74. doi:10.2307/1250298
- Nagashima, A. (1977). A comparative “Made In” product image survey among Japanese businessmen. *Journal of Marketing*, 41(7), 95–100. doi:10.2307/1250943
- Ozretic-Dosen, D., Skare, V., & Krupka, Z. (2007). Assessments of country of origin and brand cues in evaluating a Croatian, Western, and Eastern European food product. *Journal of Business Research*, 60(2), 130–136. doi:10.1016/j.jbusres.2006.10.011
- Papadopoulos, N., & Heslop, L. (2002). Country equity and country branding: Problems and prospects. *The Journal of Brand Management*, 9(4-5), 4–5.
- Papadopoulos, N., Heslop, L. A., & Bennett, D. (1993). National image correlates of product stereotypes: A study of attitudes towards East European countries. In N. Papadopoulos (Ed.), *Dimensions of International Business* (pp. 21-37). Ottawa: the International Business Study Group, Carleton University.
- Pappu, R., Quester, P. G., & Cooksey, R. W. (2006). Consumer-based brand equity and country-of-origin relationships: Some empirical evidence. *European Journal of Marketing*, 40(5/6), 696–717. doi:10.1108/03090560610657903
- Pappu, R., Quester, P. G., & Cooksey, R. W. (2007). Country image and consumer-based brand equity: Relationships and implications for international marketing. *Journal of International Business Studies*, 38(5), 726–745. doi:10.1057/palgrave.jibs.8400293
- Parameswaran, R., & Pisharodi, R. M. (1994). Facets of country of origin image: An empirical assessment. *Journal of Advertising*, 23(1), 43–56. doi:10.1080/00913367.1994.10673430
- Parameswaran, R., & Pisharodi, R. M. (2002). Assimilation effects in country image research. *International Marketing Review*, 19(3), 259–278. doi:10.1108/02651330210430695
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41–50. doi:10.2307/1251430
- Pecotich, A., Pressley, M., & Roth, D. (1996). The impact of country of origin in the retail service context. *Journal of Retailing and Consumer Services*, 5(4), 213–224. doi:10.1016/0969-6989(95)00080-1
- Perez, M. S., Abad, J. C. G., Carrillo, G. M. M., Fernandez, R. S. (2007). Effects of service quality dimensions on behavioral purchase intentions: A study in the public-sector transport. *Managing Service Quality* 17(2), 134–151.
- Phau, I., & Suntornnond, V. (2006). Dimensions of consumer knowledge and its impacts on country of origin effects among Australian consumers: A case of fast-consuming products. *Journal of Consumer Marketing*, 23(1), 34–42. doi:10.1108/07363760610641145
- Rezvani, S., Dehkordi, G. J., Rahman, M. S., Fouladivanda, F., Habibi, M., & Eghtebasi, S. (2012). A conceptual study on the country of origin effect on consumer purchase intention. *Asian Social Science*, 8(12), 205. doi:10.5539/ass.v8n12p205
- Roth, M. S., & Romeo, J. B. (1992). Matching product category and country image perceptions: A framework for managing country-of-origin effects. *Journal of International Business Studies*, 23(3), 477–498. doi:10.1057/palgrave.jibs.8490276
- Ruth, J. A., & Simonin, B. L. (2003). “Brought to you by Brand A and Brand B” Investigating multiple sponsors’ influence on consumers’ attitudes toward sponsored events. *Journal of Advertising*, 32(3), 19–31. doi:10.1080/00913367.2003.10639139

- Saeed, S. (1994). Consumer evaluation of products in a global market. *Journal of International Business Studies*, 25(3), 579–604. doi:10.1057/palgrave.jibs.8490213
- Shamdasani, P., Mukherjee, A., & Malhotra, N. (2008). Antecedents and consequences of service quality in the consumer evaluation of self-service Internet technologies. *Service Industries Journal*, 28(1), 117–138. doi:10.1080/02642060701725669
- Srikatanyoo, N., & Gnoth, J. (2002). Country image and international tertiary education. *Journal of Brand Management*, 10(2), 139–146. doi:10.1057/palgrave.bm.2540111
- Sweeney, J. C., Soutar, G. N., & Johnson, L. W. (1999). The role of perceived risk in a quality-value relationship: A study in a retail environment. *Journal of Retailing*, 75(1), 77–105. doi:10.1016/S0022-4359(99)80005-0
- Teas, K. R. (1993). Expectations, performance evaluation, and consumers' perceptions of quality. *Journal of Marketing*, 57(4), 18–34. doi:10.2307/1252216
- Thakor, M. V., & Katsanis, L. P. (1997). A model of brand and country effects on quality dimensions: Issues and implications. *Journal of International Consumer Marketing*, 9(3), 79–100. doi:10.1300/J046v09n03_06
- Wall, M., Hofstra, G., & Liefeld, J. (1991). Impact of country-of-origin cues on consumer judgments in multi-cue situations. *Journal of the Academy of Marketing Science*, 19(2), 105–113. doi:10.1007/BF02726002
- Wang, C. K., & Lamb, C. W. (1983). The impact of selected environmental forces upon consumers' willingness to buy foreign products. *Journal of the Academy of Marketing Science*, 11(Winter), 71–85. doi:10.1007/BF02721862
- Wang, C. L., Li, D., Barnes, B. R., & Ahn, J. (2012). Country image, product image, and consumer purchase intention: Evidence from an emerging economy. *International Business Review*, 21(6), 1041–1051. doi:10.1016/j.ibusrev.2011.11.010
- Yamoah, F. A. (2005). Role and impact of product-country image on rice marketing: A developing country perspective. *The Journal of American Academy of Business*, 7(2), 265–276.
- Yaprak, A., & Parameswaran, R. (1986). Strategy formulation in multinational marketing: A deductive, paradigm-integrating approach. *Advances in International Marketing*, 1, 21–45.

The-Effect-of-Country-of-Origin-Service

ORIGINALITY REPORT

22%

SIMILARITY INDEX

15%

INTERNET SOURCES

15%

PUBLICATIONS

10%

STUDENT PAPERS

PRIMARY SOURCES

1	Hsiang-Ming Lee, Ching-Chi Lee. "Country-of-origin and brand redeployment impact after brand acquisition", Journal of Consumer Marketing, 2011 Publication	5%
2	www.irma-international.org Internet Source	3%
3	Submitted to The University of Memphis Student Paper	2%
4	vulcanpost.com Internet Source	1%
5	www.safaribooksonline.com Internet Source	1%
6	eprints.maynoothuniversity.ie Internet Source	1%
7	Submitted to University of Strathclyde Student Paper	1%
8	Parasuraman, A. Zethhaml, Valarie A. Ber. "Alternative scales for measuring service quality: a comparative assessment based on	<1%

psychometric and", Journal of Retailing, Fall
1994 Issue

Publication

9	webcache.googleusercontent.com Internet Source	<1 %
10	core.ac.uk Internet Source	<1 %
11	jyx.jyu.fi Internet Source	<1 %
12	Gordon H.G. McDougall, Terrence Levesque. "Customer satisfaction with services: putting perceived value into the equation", Journal of Services Marketing, 2000 Publication	<1 %
13	www.anzmac.org Internet Source	<1 %
14	www.docstoc.com Internet Source	<1 %
15	gsbejournal.au.edu Internet Source	<1 %
16	www.bvimsr.com Internet Source	<1 %
17	www.palgrave-journals.com Internet Source	<1 %
18	www.myjurnal.my Internet Source	<1 %

19	Prem Shamdasani. "Antecedents and consequences of service quality in consumer evaluation of self-service internet technologies", The Service Industries Journal, 1/2008 Publication	<1 %
20	www.seaairweb.info Internet Source	<1 %
21	Submitted to University of Hull Student Paper	<1 %
22	www.transformations.khf.vu.lt Internet Source	<1 %
23	www.jespk.net Internet Source	<1 %
24	Submitted to University of Leeds Student Paper	<1 %
25	"Ideas in Marketing: Finding the New and Polishing the Old", Springer Nature, 2015 Publication	<1 %
26	www.researchgate.net Internet Source	<1 %
27	Submitted to Segi University College Student Paper	<1 %
28	www.rau.ro Internet Source	<1 %
29	"Entrepreneurship, Business and Economics -	

Vol. 1", Springer Nature, 2016

Publication

<1 %

30

Submitted to 5027

Student Paper

<1 %

31

Submitted to University of Lincoln

Student Paper

<1 %

32

Submitted to Monash College Pty Ltd

Student Paper

<1 %

33

vuir.vu.edu.au

Internet Source

<1 %

34

www.cyut.edu.tw

Internet Source

<1 %

35

dblp.dagstuhl.de

Internet Source

<1 %

36

thesis.eur.nl

Internet Source

<1 %

37

Adilla Anggraeni, Sarah Diandra. "Self-Expressiveness as Consumers' Motivation to Share Online Video Advertisements in Jakarta", International Journal of Asian Business and Information Management, 2017

Publication

<1 %

38

mental.jmir.org

Internet Source

<1 %

39

www.mcser.org

Internet Source

<1 %

40

cmapspublic.ihmc.us

Internet Source

<1%

41

psasir.upm.edu.my

Internet Source

<1%

42

Submitted to University of Reading

Student Paper

<1%

Exclude quotes On

Exclude matches < 10 words

Exclude bibliography On