Country of Origin as a Brand

Moderating Effect of Uncertainty Avoidance in the B2B Purchase Decisions

BY IRINA SLOT, BERLIN

Abstract

The increasing role of B2B exports in national economies gives rise to the question of how "country of origin" acts as a factor in purchasing decisions made by international marketers. Based on the moderating effect of uncertainty avoidance as a dimension of cultural socialization of the customer on purchase decision in a B2C environment, and the brand-analog character of country-of-origin labeling, the authors examine whether the moderating effect of uncertainty avoidance is applicable in the B2B marketing of *Made in Germany* (MiG) products. The quantitative study of price-premiums for MiG equipment ("goods") and technical solutions ("services") is complemented by a qualitative study of external views on *Made in Germany* from a B2B marketer perspective.

Keywords: business-to-business, international trade, country of origin, cultural dimensions, uncertainty avoidance

Biographical note

Dr. Irina Slot is a Russian-born German scholar and university teacher.

1. Introduction

The „Cool Germany"- Issue of *The Economist* celebrates the economic success of Germany as an export champion (The Economist 2018). Although such success was a result of the efforts of individual companies, the role of the national brand *Made in Germany* might be a significant factor in this phenomenon. The "British Merchandise Marks Act", which took effect on August 23, 1887, set out to mark the me-too-products of non-British producers and of poor quality. Nevertheless, the image of the label *Made in Germany* turned from negative to positive within the last few decades (Deutsche Welle, 2017).

In a 2015 survey, ‚Germany in the Eyes of the World', the German federal organization, *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), explored how "Germany and the Germans are perceived in other countries" (GIZ, 2015). After conducting open-ended, qualitative interviews with 179 professionals from 26 countries, GIZ found that attributes often applied to Germans on an individual level such as "predictable" and "reliable" are also frequently associated with German products and organizations (GIZ, 2015). Specifically, *Made in Germany* is named as a label of trust: „Our first finding is that the German industry can relax - the Made in Germany label still seems to be well-known and well-loved and equated more than anything else with excellence… German products, in the view of many interviewees around the globe, are known for their endurance, functionality and high quality… Top German exports are believed to be premium products that deliver what they promise." (GIZ, 2015). Simultaneously, a few interview partners sent warning signs: "Interviewees felt German businesses urgently needed to actively face competition and to continue to

invest in marketing" (GIZ, 2015). The study focused on external views of B2B partners of German companies abroad. It is summarized, however, without systematically evaluating the correlation between relevant individual opinions and the country from which the business opponents come.

The relevance of the cultural background of the user in the anticipation of the brand has been widely investigated in recent years, albeit mostly for the B2C context (e.g. Erdem, Swait and Vaelnzueva 2006, Gürhan-Canli 2000, Sun, Paswan and Tieslan 2016, Samaha, Beck and Palmatier 2014, Sohail 2005, Taras 2010, Ununie and Lee 2009 etc.). These studies ascertained a measurable correlation between evaluation of the brands and the country of origin depending on the cultural background of the **B2C** user**.** In light of this, we explore in this paper the value of the label *Made In Germany* by focusing on the cultural background of the buyer in **B2B** by aiming for specific implementation approaches for different markets in the context of competition with other countries of origin.

The focus on B2B exports is grounded in the fact that the turnover for B2C business in Germany is much lower than B2B international business: only "25%" in 2008 (Backhaus and Voeth 2010). Another motivation to explore this phenomenon, especially for B2B business, is the so called „emotional turn" (Damasio 2006) and the question, whether the findings in neuroscience which show interwoven character of ratio and emotions, are applicable in the field of economic decisions, especially in the light of works of Nobel prize laureate Daniel Kahnemann (2002), which question purely rational decision-making process by experts. Thus, the general question leading us from „classical" B2C focus to B2B focus is, is ignoring the cultural influence in the purchasing decisions of professional buyers is still appropriate?

2. Research Questions

Operating under the assumption of a homogeneous cultural background of the members of the **buying center** in the sense of national or/and organizational culture, the objective of this research is to examine how *Country of Origin* (CoO) as the variety of a brand influences B2B purchasing decisions in correlation with their cultural backgrounds.

First, we examine the general evaluation of *Made in Germany* (MiG) of the international marketers, regarding their view on the CoO as a valuable brand, heading the „blind spot" of brand meaning (Fernandes and Procenca 2008) with forward association (Farquhar 2003). We ask the following: Is the external view on MiG mostly positive? Does MiG function as a brand of quality? What are the other elements which make up MiG in the view of B2B actors around the world (RQ1)?

In the next step, we would like to specify the influence of the cultural background of the user (e.g. a B2B purchasing person) on the purchasing decision by measuring the value of MiG in their opinion by asking for a price premium they would accept „in return" for acquiring goods labeled MiG and their expectations towards quality, reliability, and durability (Jimenez and San-Martin 2016). For such a quantitative study, we chose a cultural dimension which is (a) measurable and (b) - as will be shown in the literature review - reflects the culturally-rooted difference scale of the need to reduce ambiguity through promises conveyed through brands: *Uncertainty Avoidance Index* (UAI) by Geert Hofstede (1991).

Since *Made in Germany* (MiG) is confronting rising competition with *Made in China* (MiC) (DGQ 2016) despite its status as a lower-quality label (Wei, Xie and Zhang 2017; Adel 2014), we asked our interview partners to compare similar, or rationally equal, equipment and products labeled with MiG and MiC respectively, noting their indication of a price premium for MiG related to MiC, if

any. Later, we compared the named price premium (in percentages) in correlation with their personal UAI (Hofstede/Hofstede 2013), with the aim to examine **UAI as a moderating effect** in purchase decisions for goods and equipment (RQ 2).

The distinguishing factor (from the user's perspective) of marketing for products versus marketing for services arises from the intangibility and instability of services in comparison to products (Dash, Bruning and Ku Guin 2009; Bruhn and Georgi 2006). The need to provide security though promises, based on the brand value, is therefore higher for services in comparison with products (Liu, Furrer and Sudharshan 2001). In our study, we aim to verify these findings for CoO as a brand in B2B contexts (RQ 3), and ask for the price premium in purchase decisions in the cases of services and technical solutions.

The importance of emotional components (e.g. Credibility) for industrial brands in reducing the risks and promoting "long-lasting B2B relationships" (Herbst and Maerz 2011) seems to percolate into B2B marketing. Cultural influence, defined as "collective programming of the mind" (Hofstede, Hofstede and Minkov 2010), completed in the childhood (mostly unconsciously) influences our pattern of thinking in business life as well (Slot 2016). Is such a culturally determined, "irrational" part of purchase decisions ascertainable? Can the "emotional turn" (Damasio 2006) in business decision-making (Kahneman 2011) be measured in the intercultural context even though it is not compatible with former prevailing notions of purely rational decision-making in B2B in comparison to B2C contexts (RQ 4)? Using the metaphor of Hofstede (2001), pointing cultural influence on our views and thinking patterns, we want to clarify the "cultural lenses", by focusing on *Uncertainty Avoidance*, which according to the definition of Hofstede, indicates the need for security, reliability and trust (Hofstede 1991).

The paper is structured as following: In the subsequent section, relevant literature focused on (a) cultural impact in marketing, (b) culture and brands in B2B and B2C marketing, and (c) Culture and Country of Origin as a Brand (three subsections) will be reviewed. The next section describes and justifies the chosen methodology and sampling. Finally, in the last section, the results of the study will be summarized including discussion, implementation, and outlook for further research.

3. Literature Review

3.1 Cultural impact in Marketing

The influence of culture on market participants, especially the effectiveness of marketing strategies and instruments in different cultural contexts, has been a theme in numerous studies (see overview in Appendix 1). Usunier and Lee (2009) describe two contrasting approaches to research: emic and etic: "The emic approach holds that attitudinal or behavioral phenomena are expressed in an unique way in each culture. The etic approach, on the other hand, is primarily concerned with identifying universals. The difference arises from linguistics where phonetic is universal and depicts universal sounds that are common to several languages, and phonemic stresses unique sound patterns in languages" (Usunier and Lee 2009).

Furthermore, the implementation of emic ideologies is not always desired by international companies who aim towards centralization in global environments (Usunier and Lee 2009; Slot 2016). The marketing strategy, however, can be clustered into regions and later adjusted for every local market: "Procter & Gamble did this in Europe by introducing the Eurobrand concept, consisting of a common brand name and a basic marketing strategy for most western European countries. After a long period of centralization, P & G is now giving slightly more weight to localization, especially regarding advertising and branding" (Usunier and Lee 2009). One further example of a pure, paternal-

istic marketing strategy can be seen in the fashion and lifestyle magazine, "Vogue," of Condé Nast Publishing House (IKWW 2018). Their strategy is even manifested in their slogan, "Looking at culture through the lens of fashion" (Condé Nast 2017).

Aaker, Benet-Martínez, and Garolera demonstrate how the emic and etic approaches can be combined for marketing research in their 2001 study which examines "how cultural meaning is represented in the minds of individuals." The "universal" message of a brand personality which portrays a specific culture as an icon or symbol (for instance, the "Marlboro Man" cowboy), is generally understood by consumers from different cultures (in this study, American, Spanish, and Japanese participants), but is valued in different ways depending on the network of their cultural values (Aaker, Benet-Martínez and Garolera 2001). Not only the cultural relevancy of market behavior of customers, but also the actions of marketing managers in different countries has been partially studied in recent years. For example, different thinking and reaction patterns in the current increasingly uncertain business environment has been proven to be culturally relative (Merigo and Gil-Laufente 2016).

The majority of the authors, who were following the *emic* approach, considered mostly the influence of two cultural dimensions of Geert Hofstede (1991): *Power Distance Index* and *Individualism vs. Collectivism* (see overview in Appendix 1). Other cultural dimensions of Hofstede - for unclear reasons - seem not to be so popular in marketing studies, which is especially irreproducible for *Uncertainty Avoidance* (UAI), defined as "a society's tolerance for ambiguity" (Hofstede 1991), and might play an important role in purchase decisions (Hofstede 2001).

Rather exceptional cases, two studies have elaborated on the moderating effect of both - *Uncertainty Avoidance* and *Collectivism*. Tülin, Joffe and Valenzuelva (2006) focused on total credibility im-

pacts and found direct correlation to both cultural dimensions (The higher the number of *Individualism* in Hofstede's Matrix (2013), the lower it is for *Collectivism* in the given culture). This effect was stronger for participants interested in purchasing a personal computer than for juice, which the researches expected because a PC is a more complex product, therefore demanding higher involvement of the buyer.

Chronologically, the second study explores the phenomenon of loyalty and found a positive correlation between *Uncertainty Avoidance* and *Collectivism* with the loyalty of consumers leaning towards familiar brands and products (Usunier and Lee 2009). However, the mentioned research only explored "Western" and "Eastern" cultures, without explaining such categorizations. This is in spite of the fact that so-called "Western cultures" (e.g. France or Germany) can also have high levels of *Uncertainty Avoidance* according to Hofstede's cultural dimensions: "65" for France, and "86" for Germany (Hofstede 2017). On the contrary, the "Eastern culture" of China does not fall within such a high range, having a measured *Uncertainty Avoidance* of "30" (Hofstede 2017).

Although without explicitly naming *Uncertainty Avoidance* as a variable or any specific cultural categories, the study by Verhage, Yavas and Green in 1990 found the correlation between brand loyalty and perceived risk (as cultural mindset) by examining the validity of general marketing "laws" in different cultural contexts. Such correlation, as it was postulated for the U.S. market (by U.S. researchers) had been tested in the Netherlands, Saudi Arabia, Thailand, and Turkey, by using the example of two similar products: bath soap and toothpaste. "Data were collected from homogeneous subgroups of consumers within each country in order to minimize smacking variations. Upper-middle income married women residing in major urban centers were targeted as respondents" (Verhage, Yavas and Green 1990). Ironically, the method of such intercultural research had to be adjusted to cultural taboos. Whereas the Dutch and Turkish women were questioned in

their homes, the interviews with respondents in Thailand were conducted in the supermarkets. In Saudi Arabia, only postal interviews were possible.

Thus, the study supports the general relevance of the thesis. However, "the degree to which perceived risk influences decision-making may […] vary between countries" (Verhage, Yavas and Green 1990). The authors did not describe cultures by Hofstede's system of cultural dimensions and therefore do not use the category of *Uncertainty Avoidance*. On the other hand, their study does indicate that Turkish culture is especially sensitive to perceived risks. This is a reason for marketers to consider emphasizing word-of-mouth in the marketing plan for the Turkish market (Verhage, Yavas and Green 1990). The results agree with later measurements by Geert Hofstede for these four countries, with Turkey demonstrating the highest level of *Uncertainty Avoidance* (Hofstede/Hofstede 2013), and shows the significant role of *Uncertainty Avoidance* as a factor in the purchase decision-making process.

A lower number in this index indicates more acceptance of differing thoughts and ideas: society tends to impose fewer regulations, people are more accustomed to ambiguity, and the environment is more free-flowing (Hofstede 1991). "High uncertainty avoidance cultures are more likely to rely on experts than generalists. Non-experts are perceived a less competent than experts in comparison with uncertainty avoidance cultures" (Hofstede, Hofstede and Minkov 2010). Later intercultural studies elaborate on more cultural dimensions, although most of them nevertheless follow Hofstede's idea of this cultural aspect. This is especially true in the case of the GLOBE Study, which places *Uncertainty Avoidance* as number one of nine cultural dimensions (House 2004). Comparison of several systems of cultural dimensions leads many researchers of intercultural marketing back to Hofstede's system of measurement of cultures due to their practicability and transparency (Adel 2014; Vasile and Nikolescu 2016).

Tactics to avoid uncertainty are different between cultures with an UAI of more than 50. These are the cultures with detailed rules, insurance, or even risk-avoidance altogether. However, the thinking patterns of these cultures could be considered generally different from the cultures with a UAI lower than 50, which leads members of such societies to respond to notional or real risks and problems (Petersen, Kushwaha and Kumar 2015; Al-Wugayan and Surprenant 2006).

The difference in *Uncertainty Avoidance* for the U.S. and Kuwait ("45" and "68" respectively in 2010 according to Hofstede, 2017) leads Al-Wuagayn and Suprenant to conclude that "members of a nation that tend to exhibit high uncertainty avoidance (Kuwait) generally prefer familiar brands with a known level of attribute quality over unfamiliar brands than would a nation with low uncertainty" (2006). The authors point out that these two countries have relatively similar standards of living and comparable marketing and retail industry structure, which is a strong indication of the UAI-effect on the purchasing behaviors of their inhabitants. The quantitative study showed no significant difference between preference for a well-known brand over a generic brand (Al-Wugayan and Suprenant 2006). "One possible explanation for this lack of association lies with the level at which uncertainty-avoidance tendency may be operating. Anxieties generated from a high level of uncertainty are not manifested in individual level behaviors such as those related to consumption, but might be evidenced in other forms of social behaviors." (Al-Wugayan and Surprenant 2006).

Another explanation is the non-crucial difference between UAI for these two cultures. Despite the fact that the two UAI's ("45" and "68") lie on different sides of ´50´—meaning "non-avoidance" versus "avoidance" of uncertainty, the effective difference of about 20 might not be significant enough to show different behaviors between consumers. The authors call it "subtle differences," which supports our opinion for the explanation.

Focusing on international Relationship Marketing (RM), Samaha, Beck, and Palmatier warn that only accounting for *Individualism* ignores the significant moderation effect of the *Power Distance* and *Uncertainty Avoidance* dimensions: "despite a recent surge in international research on relationship marketing (RM), it is unclear whether or how RM should be adapted across cultures" (Samaha, Beck and Palmatier, 2014). The authors operate with Hofstede's dimensions of culture to conduct a comprehensive, multivariate, meta-regression analysis of "47,864" relationships across 170 studies, 36 countries, and six continents. To guide their theory, they proposed four tenets that parsimoniously capture the essence of culture's effects on RM. Study 1 affirms these tenets and emphasizes the importance of taking a fine-grained perspective to understand the role of culture in RM because of the high degree of heterogeneity across different cultural dimensions and RM linkages. For example, the magnitude of *Individualism*'s effect is "71%" greater on RM than other cultural dimensions, whereas *Masculinity* has almost no effect. To guide managers, Study 2 adopts a country-level approach and reveals that RM is much more effective outside the United States, such that relationships are "55%" more effective, on average, for increasing business performance in Brazil, Russia, India, and China (Samaha, Beck, Palmatier, 2014).

For *Uncertainty Avoidance,* they discovered that the interaction of advertising intensity and communication on customer relationships is dis-synergistic (Samaha, Beck and Palmatier, 2014). On the other hand, the leverage of RM itself might be bigger in cultures with higher *Uncertainty Avoidance*. "Because risk management has a central role in high *uncertainty avoidance* cultures, we anticipate that RM strategies linked to uncertainty reductions are more effective at building and maintaining relationships in high *uncertainty avoidance* cultures and less effective in low *uncertainty avoidance* cultures … The two relational constructs related to uncertainty reduction in our framework that may be moderated by *uncertainty avoidance* are seller expertise and relationship

duration […]. Customers in high *uncertainty avoidance* cultures are motivated to reduce risk, and they extract more value from sellers with expertise, which seemingly can generate more predictable outcomes. Thus, customers have greater motivation to build and maintain strong relational bonds with expert sellers when *uncertainty avoidance* increases." (Samaha, Beck and Palmatier 2014). These findings explain the example of Geert Hofstede and his coauthors: Advertisements in high *uncertainty avoidance* cultures often depict physicians dressed in white lab coats to increase percei- ved expertise and take advantage of customer preferences for *uncertainty avoidance* (Hofstede, Hofstede and Minkov 2010).

The effectiveness of the next instrument of marketing, Word-of-Mouth Communication, seems to be dependent on the cultural background of recipients of marketing communication too. The hy- pothesis that "the more a consumer values uncertainty avoidance, compared with embracing uncer- tainty, the more likely she or he is to engage in WOM with (a) an in-group and (b) an out- group", was denied by the results of the study and led to the conclusion: "By their very nature, uncertainty- avoidance cultures resist change and tend to stick to established group-approved behavioral pat- terns. People in these cultures are less confrontational and seek group consensus when making deci- sions" (Lam, Lee and Mizerski 2009). This conclusion supports the position of Hofstede himself (Hofstede 1991), and also follows the study of cultural influence in marketing, focusing on cus- tomer behavior toward services: "Customers from cultures with higher individualism or lower un- certainty avoidance tend to switch, engage in negative word of mouth, or complain about poor ser- vice quality, but do not tend to praise superior service… Customers from a culture with higher un- certainty avoidance have a higher intention to praise the service provider if they experience positive service quality. However, if they experience a problem, they show a lower intention to switch to an- other service provider, to give negative word of mouth, or to complain" (Liu, Furrer and Sudhar- shan 2001).

The overview of the sources regarding the moderating effect of different Hofstede's cultural dimensions on the different instruments of international marketing is shown on Table 2 in the appendix.

3.2 Culture and Brands in B2B and B2C Marketing

The understanding of brands as "signals, specifically though brand credibility" (Erdem and Swait 1998) leads to the question of culturally influenced anticipation of such signals beyond the cognitive knowledge about the brand. Comparing, for example, the external view on the same brands from consumers in seven different countries (Brazil, Germany, India, Japan, Spain, Turkey, and the USA) shows that "the effect of brand credibility on consumer choice through perceived quality and perceived risk" varies along with uncertainty avoidance in the socialization of consumers in their culture of origin (Erdem, Swait and Valenzueva 2006).

Interesting aspects of the external view on imported products and services are shown in the study of Sarial-Abi and Gürhan-Canli (2016), which examines the influence of regulation on behavior of consumers (i.e. in non-democratic countries), showing the wish to overcome the regulations in the case of directly communicated restriction, and negative evaluation of the products themselves in case of indirect implemented regulations (e.g. ban).

The "patriotic bans" seem to fail especially for fashion and clothing, as the study of Atwal and Bryson (2017) impressively shows. Examination of the external view on international brands by customers in China and India shows the strong moderating effect of cultural values influences on the image of the brand and their "translation" into the brand-benefit. The conclusions oppose the policy of "Glocalization", postulated by Czinkota and Ronkainen in their International Marketing Manifesto (Czinkota and Ronkainen 2003), which aims to standardize as much as possible and di-

versify as much as necessary. The opposite paradigm, must shape international marketing strategies (Fang 2001).

The cultural socialization of the "internal customer" as the factor of brand validity is the focus of the study "Internal Brand Management in an International Context" by Christina Ravens. Ravens explains, "defining a brand identity within a multinational context will suggest different interpretations of the brand by each employee depending on their cultural background, because the brand identity elements themselves either explicitly or implicitly trigger a culture-specific decoding and interpretation of information" (Ravens, 2014). Using Harry Triandis' definition of culture as "comparable to an individual's memory in that it represents the collective memory of a society," Raven examined the organizational commitment of the employees of 30 DAX Companies—German Companies leading the German Stock Exchange Market in Frankfurt (Triandis, 1995). Focusing on the cultural dimension of *Individualism vs. Collectivism*, evaluated not only by Geert Hofstede, but also by Shalom Schwartz and Harry Triandis, Ravens found a negative correlation between *Individualism*, brand commitment and, consequently, the value of the brand for international employees of the German company (Ravens, 2014). These results are interesting for our study due to an external, receiving view of the brand. Unfortunately, the influence of *Uncertainty Avoidance* on the brand anticipation is not discussed in this paper, although the system of cultural dimensions of Shalom Schwartz would allow it by analyzing the linked cultural dimension of conservatism—a "cultural emphasis on maintenance of the status quo, propriety, and restraint of actions or inclinations that might disrupt the solitary group or the traditional order (social order, respect for tradition, family security, wisdom)" (Schwartz, 1999). The possible correlation between conservatism and brand loyalty has not been sufficiently studied yet, probably due to the descriptive nature of Schwartz's cultural dimensions and the general agreement of his findings with Hofstede's theory of cultural

14

dimensions, which remains the most popular among academicians and practitioners in international management (Ravens, 2014).

However, cultural aspects measured by Hofstede's cultural dimensions have been broadly discussed for private buyers and consumers rather than for professional buyers in the B2B environment. It seems that the research of Nobel prize laureate in economics Daniel Kahnemann, impressively showing the irrational component of decision-making by experts and professional actors, not yet interfused in marketing. Operating in the so called **System 1**, professional buyers might be also influenced by „impressions of the attributes of objects of perception and thought. These impressions are not voluntary and need not be verbally explicit" (Kahnemann 2002). According to Damasio, rational arguments will then be used to legitimate the „feeling-decision", which might be banished from the professional field by rational reasons (Damasio 2006). Anticipating cultural influence as irrational, the professionals - especially acting in international field - might gainsay such an influence on their decision-making process.

Another phenomenon, indeed distinguishing B2C and B2B purchase decision-making is typically the number of decision makers. Although the collective character of B2C decision-making in collective cultures like Turkey or China (s. above) also involves a curtain number of decision makers and „advisors" in the supposedly individual decision of a consumer. B2B purchase decision is in principle a collective decision consulted in so called buying centers (Herbst, Voeth and Meister 2011).

The B2B typical **buying centers** will be considered mostly as a unit without differentiation of the roles (Saavedra, 2017). Such a simplification can be explained by the relative cultural homogeneity of all the members of the buying center, or at least in sense of organizational culture, which is heav-

ily influenced by the culture of the country where the company was established and/or where the headquarters are situated (Hofstede 2001).

The roles of each member of the buying center and the postulated and factual way of making purchase decision (i.e. the role of executives above the buying centers) differ in different industries and organizations. With regard to decisions for big projects, the weight of the opinion of technical leaders is much higher in comparison to commercial leaders, which could explain the acceptance of the relative high prices matched with expectations of high quality and low costs for maintenance from a long-term-perspective (Saavedra 2017). The different roles and approaches, or even "vocational cultures," of the participants of the B2B purchase decision are minor in comparison to the imprint of the culture in which they grew up and also of the imprint of the organizational culture to which they all belong (Hofstede, 2001; Slot, 2016).

Kale and Barnes found that national character ("culture," in our definition), organizational culture, and individual personality influence the B2B purchasing process, but at the same time influence each other. Without focusing on one of them, or prioritizing one over the other, they demonstrated that the harmony between buyer and seller, grounded in the similarity of at least of one of three levels, leads to more probable contracts due to "overall compatibility in their communication" (Kale and Barnes, 1991). At that time, the role of *Uncertainty Avoidance* as one of only four of Hofstede's cultural dimensions was a special factor contributing to a strong resistance to change partners in negotiations by buyers who come from cultures with a higher index of *Uncertainty Avoidance*.

The key difference between B2C and B2B marketing as seen by Lodish, Morgan, and Kallianpur, is in targeting the needs of the **second-grade customer** of the purchasing company as a direct customer: "If the potential customer perceives that his business will be more profitable if your product

or service is used, then they will likely buy it. The key word here is "perceives". If the customer understands and believes that your product can make the production, service, or delivery process more efficient or more valuable to the customer's customers, then the entrepreneur can make a nice sale." (Lodish, Morgan and Kallianpur, 2001).

Although the brands in B2B Business are not as broadly known as those in B2C Business, their role is no less important. Industrial goods often generate great insecurity on the part of the customer. The quality of the industrial products and services are often only realized after purchasing, or sometimes not at all directly. This purchase-insecurity can be reduced by a brand. Aside from this function, brands also support the B2B buyers in their orientation and subsequently simplify purchase decisions. Strong (2016) explains: "…the majority of scholars researching B2B branding [have] claimed that there is no room for emotional factors such as trust in B2B branding." However, emotional experience is identified as the third component of the inquiry-sided brand, and added value is reflected in positive values, experiences, settings and feelings of the customer (Saavedra 2017). The case study on B2B customers of Panasonic supports this: "In the B2B context, a combination of both functional and emotional factors is important for a B2B customer" (Strong, 2016).

There are few indications that *Uncertainty Avoidance* plays a significant role in such "irrational" purchasing processes—there is not the same anticipation of new products by B2B buyers (Ansah, 2015). Furthermore, higher *Uncertainty Avoidance* leads to market-oriented long-term strategic alliances (Lee and Kim, 2014).

Research on the anticipation of national culture by different social groups within one culture concludes that the **predictive power** of *Uncertainty Avoidance* is stronger for older respondents rather than younger, stronger for men rather than women, and stronger for those with more years of educa-

tion rather than fewer years (Taras, V. 2010). These results support the relevance of this cultural dimension for the B2B purchasing processes due to the realistic situation in most of the purchase organizations around the world.

Herbst and Maerz sought to discover if brand categories and elements of B2C business work in B2B environments and examine the *Brand Personality Scale* (BPS) of Aaker (1997) on its relevance for the industrial buyer (especially buying centers) and concluded that not all five dimensions (*sincerity, excitement, competence, sophistication,* and *ruggedness)* are equally relevant for B2B business. (Herbst and Maerz, 2011).

Thus, they postulated the three categories for B2B Branding: *Performance, Credibility and Sensation (*Herbst and Maerz, 2011). This was in addition to pointing out the general possibility of using BPS for B2B brands: "The results of two qualitative and three quantitative studies indicate that brand personality constitutes a valuable instrument for industrial brand management" (Herbst and Maerz, 2011). The *Performance* dimension fulfills the informational function, and the *Credibility* dimension helps B2B brands fulfill a risk reduction function (Herbst and Maerz, 2011). The effect of the *Sensation* dimension measured low in the article, and is rather irrelevant for the focus of this work on *Made in Germany*. Surprisingly, the dimension of *Credibility* as emotional differentiation from the competition plays an important role in establishing a positive brand personality in an industrial environment despite the assumption of strictly rational B2B business (Strong, 2016). "As such, the *Credibility* dimension helps B2B brands fulfill a risk-reduction function" (Herbst and Maerz, 2011). The longer the business relationship, the more transactions connect two businesses. Therefore, credibility is of higher importance than the focus on performing (Herbst and Maerz, 2011).

Generally, the authors affirm that BPS can be used with adapted dimensions to improve a brand for B2B business. Furthermore, they propose a cultural adjustment of the special BPS's for industrial brands analogous to the BPS for B2C brands (Aaker, Benet-Martinez and Garolera, 2001).

Focusing on corporate industrial brands instead of the product- or service-level brand seems to be useful for industrial marketing due to the uniqueness of products, services, and technical solutions in current B2B business (Herbst and Maerz, 2011).

Similar to the B2C brands, commercial value of the B2B brands are based on subjectively postulated ideas. The irrational component of brand value is displaced by the technical-objective elements, but not completely replaced by them. Therefore, the price-premium of the industrial brand allows a business to charge higher prices for a branded version of the same, un-branded product (Backhaus and Voeth 2010).

The comparison of B2C and B2B external views on the brand in the cultural context can be demonstrated in the phenomena of cultural chauvinism or *Consumer Ethnocentricity* (Swaminathan 2007) which both describe a reluctance to buy goods from other countries (e.g. opponents to globalization), or especially another specific country (e.g. embargoes for political or ideological reasons). This element of the external view on the brand might play a lesser role in B2B marketing in comparison to B2C marketing (Czinkota and Ronkainen 2003, Al Ganideh and Elahee 2012).

As an conclusion of the 3.1 and 3.2 we can summarize general neglect of cultural influence on B2B purchase decision-making and under-estimation of *Uncertainty Avoidance* as a factor of cultural aspect in decision-making process. One possible „instrument" to reduce ambiguity is a brand, which might promise quality and absence of uncertainties in the future (s. below).

The following consideration of brand is based on Kotler's definition as a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors" (Kotler and Keller 2008), and brings us to the study of Country of Origin as a Brand—firstly in general, and later in the cultural context.

3.3 Culture and Country of Origin as a Brand

Although *Made in Germany* is a label for country-of-origin and not a patented brand, the Kotler's approach allows us to consider *Made in Germany* and its function in the decision-making process as a brand symbol. In the B2B context, it seems to be even more appropriate because wide brands are preferred in industrial marketing (Kotler and Gertner 2002).

Country of Origin (CoO) was established by the *Merchandise Marks Act* in 1887 to protect the products from Great Britain from "me-too-products" (e.g. from Germany). Since 1891, labeling the country of origin became mandatory (Aichner, 2014). Starting as a label with a negative image, *Made-in-Germany* turned into a "brand for trust" (GIZ, 2015). The questions of "how many parts" and "percentage of content" in terms of quality control must come from the named country, and cannot be answered properly (Bienenfeld, 2016).

Nevertheless, the brand image of the labeling is linked to quality and the external and internal value of such a brand. Development of brand identity should be made relevant to all employees through integrating elements that employees recognize as authentic and which capture the true essence of the brand. For example, employees strongly opposed the production of Steiff teddy bears in Chinese factories, but senior management went ahead and maintained the "made in Germany" tags and the brand's mantra, "Friends for a life-time." Employees criticized two aspects of this production: the

"made in Germany" tag was only technically correct, and product quality in China did not meet previous standards of the Margarete Steiff GmbH. The decision to move production abroad was because Steiff had previously inflated the Steiff teddy bear collector's market with an annually increasing number of collector's items essentially causing the market to disappear. Employees perceived this strategy shift as a poor decision and considered it incoherent with the brand's personality and history as a true German brand. The company ceased to make products in China after a short trial-and-error period to reestablish high quality standards and focus on rebuilding trust (Ravens, 2014).

The supposition of the CoO as a brand is supported by newer research in international marketing and verifies the impact of CoO on the export data from 24 countries in 12 years, concluded the strong, if not direct effect of image of CoO on exports from this country (Sun, Pasan and Tieslan 2016).

Obviously, the external view on the brand (i.e. COO) is crucial. The question, whether the mindset (i.e. cultural conditioning) can influence such a view, seems to come to the focus in recent years. Cultural variations of the external view on country of origin were examined by Zeynep Gürhan-Canli, focused on the question to which extent the cultural orientation influences country of origin effects on product evaluation (Gürhan-Canli 2000). The grave differences in the positive evaluation of mountain bikes "Made in Japan" and "Made in USA" by Japanese and US-American respondents respectively, (i.e. positive evaluation by Japanese respondents of Japanese products regardless of objective superiority of the product, and positive evaluation by US-American respondents of the American products mostly in case the product was superior to "Made-in-Japan-competition"), is explained by the author by higher collectivism in the Japanese culture in contrast to US-American culture (Gürhan-Canli 2000). On the other hand, the results of the Gurhan-Canli study, comparing

American and Japanese customers, can be explained through the cultural dimension of *Uncertainty Avoidance*, where these two cultures differ greatly: "46" and "92" respectively (Hofstede/Hofstede 2013). The measurement of the cultural dimension *individualism vs. collectivism,* which is not explicitly mentioned by Gürhan-Canli, but indirectly implied in her study (Gürhan-Canli 2000), shows the support for such an explanation and the moderating role of the cultural dimension *individualism vs. collectivism* on decision-making in B2C context: "91" for US- American and "46" for Japanese culture (Hofstede/ Hofstede 2013). In the case of comparison of US-American and Japanese cultures, the interesting discrepancy of the measurement of *Uncertainty Avoidance* and *Individualism vs. Collectivism* can be noted: *"91", "46"* and *"46" and "92"* respectively (Hofstede/ Hofstede 2013).

Beyond the cultural influence on the mindset of the potential users, another phenomenon has a „label" of culture, namely the so called **cultural chauvinism**. We argue, that the notion of culture as common, shared values and norms (Slot 2018) is wrong here, the appeal to avoid foreign products in general and to support local producers has rather ideological character and can appear in any cultures and nations. Notably, the study of the so called cultural chauvinism by Swaminathan (2007), defined as the position towards foreign *Country-of-Origin* (CoO), found out, that the aversion towards „wrong" CoO can be reduced by strong brand communication of corporate brands "included" in the foreign CoO, enabling the consumer to construct his or her own unique self-concept connection with the following items: "This brand makes me feel unique," and "This brand is a statement of how I am different." (Swaminathan 2007). Even the negative information or "ban" for the CoO would be neglected. Furthermore, the parallel (i.e. equal relevance of individual level of the brand identity and group level of the CoO-identity) was figured out and discussed (Swaminathan 2007).

To summarize the literature review, we can conclude the research gap in the question of purchase decision making, based on CoO, especially for experts and professional buyers (B2B context) in the correlation to the cultural mindset of decision makers, especially in the so far underestimated dimension of managing ambiguities - *Uncertainty Avoidance*.

Taking two exemplary CoO's, which seems nowadays to draft the poles of positive and negative image of CoO (Wei 2017; Adel 2014) and also to symbolize competition between two economies and their „trade marks" MiG and MiC (DGQ 2016), we focus on *Made in Germany* (MiG) in contrast to *Made in China* (MiC).

The aim of this study is to understand the external view on *Made in Germany* as an example of *Country of Origin* depending on cultural influences on decision makers in B2B context while focusing on the moderating effect of uncertainty avoidance (UAI) as a dimension of cultural socialization of the participants in the purchasing process. To elaborate this question in-depth and concrete we formulate four hypothesis.

The study of German governmental international organization GIZ, mentioned in the introduction of this article, founded the strong association of *Made in Germany* (MiG) with quality, reliability and durability and a general positive evaluation of this CoO (GIZ 2015). Thus, we expect a rather positive evaluation of Made-in-Germany in our study as a brand with perceived risk-reduction and a promise of quality (Hypotheses 1).

Assuming a homogenous cultural background of the members of the buying center as discussed above, and based on the discussion of *Country of Origin* and *Uncertainty Avoidance* as a modera-

ting factor on purchase decisions in B2C market (see p. 5), we expect a positive moderating effect of *Uncertainty Avoidance* in purchasing decisions for goods (Hypotheses 2).

The preference of German products grounded in high quality estimation must not necessarily mean the preference of the services MiG (Sohail 2005). On the other hand, the immaterial and intangible character of services leads to a higher leverage of brand as a promise of predicted level of quality (Bruhn and Georgi 2006). The influence of positive brands on B2C purchasing decisions of services (e.g. healthcare) is stronger for customers from cultures with higher *Uncertainty Avoidance* (Petersen, Kushwaha and Kumar 2015). Also, for B2B users of services, the intercultural component is found to be relevant (Dash, Bruning and Guin 1983). Thus, we expect a rather positive moderation effect of *Uncertainty Avoidance* in purchasing decisions for services (Hypotheses 3).

Furthermore, we aim to explore the difference between purchasing decision-making between B2B and B2C environments, and anticipate weaker leverage of MiG in B2B purchasing decisions compared with B2C purchasing decisions, although without eliminating the cultural component as an "irrational process" in the case of professional B2B actors (Hypotheses 4).

4. Method

We used semi-structured interviews to combine the qualitative and quantitative approach of the study (Balteanu 2012). The reason for the qualitative study was to approach the "blind spot" of the marketing practitioners on the brand (Backhaus, Wilken, Voeth and Sichtmann 2005, Fernandes and Procenca 2008) —especially because the *Country of Origin* as a brand is rather more comparable with the corporate brand than with product brand for which international practitioners do not even

agree on what a corporate brand represents, although being crucial for the 'reputational capital' (Ormeno, 2007; Tadepalli, Moreno and Trevino 1999), we decided to start our interviews with openly formulated questions to avoid the (cultural) influence of the interviewer (Pannucci, 2010, Moisander and Valtonen 2006).

Therefore first we asked for free association with *Made-in-Germany*, then led into a discussion about anticipation of MiG as a brand with our interview partner (Q 1, see the questionnaire guide below), leading to answer the Research Question (RQ1): Does MiG function as a brand of quality? Which other elements, positive or negative, compose MiG in the view of B2B actors around the world?

The open-ended questions appeared again in the closing part of the interview, aiming to enable interview partners to elaborate their positions and to deliver a (culturally and individually based) external view on the subject (Moisander and Valtonen 2006), and to collect information, probably relevant for the interpretation of the results of the study (Q 5).

"For most marketers, qualitative research is defined by the absence of numerical measurement and statistical analysis. Qualitative research provides an in-depth, if necessarily subjective, understanding of the consumer" (Calder, B. 1977). To enable the verification of the moderating effect of culture, namely the measured cultural dimension of uncertainty avoidance, we had to integrate the quantitative questions into the conversation guide of the interviews.

In the following quantitative part of the interview, the interviewees were asked to indicate a price premium for MiG in case of purchasing goods and equipment (RQ 2), in the case they had to decide between MiG and MiC goods and equipment, formerly of the same characteristics and norms (Q 2).

Leading to the RQ 3, we asked for a price premium in the case of purchasing services and technical solutions analogous to Question 2, given the same formal characteristics and specifications (Q3).

In the third and last question of the quantitative part of the interview, the interviewees were asked to indicate price premiums of MiG in comparison to MiC in the situation they had to make a purchase decision not as professional members of buying centers, but as a private person (Q4), aiming for our RQ 4, regarding the difference between purchasing decision-making in B2B versus B2C environments.

Since *Made in Germany* (MiG) is confronting rising competition with *Made in China* (MiC) (DGQ 2016), although it is perceived as a lower-quality-label (Wei 2017, Adel 2014), we asked interviewees in all qualitative questions (Q2 - Q4) to compare similar or rationally equal equipment and products labeled with MiG and MiC, respectively.

Here is the questionnaire guide of the interviewer:

Q1 Please name your free association with the phrase "MADE IN GERMANY."

Q2: In case of a purchase decision for equipment in your company, how much more would you be willing to pay for the country of origin "MADE IN GERMANY" in comparison to "MADE IN CHINA"?

Q3: In case of a purchase decision for services, technical solutions, etc., in your company, how much more would you pay for "MADE IN GERMANY"?

Q4: In case of a purchase decision as a private person, are the numbers different from the numbers above?

Q5: Please give general information about the buying center in your company. How many people take part in purchase decisions? What is your role in such a team?

The notice of the interviewer: Name (if not anonymous), country of work, country of birth, branch, role in the company. When and how the interview was taken.

5. Results

The research consisted of in-depth oral interviews with 30 senior managers and members of buying centers of B2B organizations in different industries based in different countries. Of the 30 interviewees, 8 held the position of managing director, 7 held the position of commercial director, 9 of technical advisor, and 6 of potential users of the purchased product and services. 11 of interviewees were female and 19 were male.

The country of cultural socialization and mostly current work of interviewees varies from South Africa, China, Kyrgyzstan, Russia, India, Brazil, to the U.S.A. and Australia. However, most interviewees came from European countries such as the Netherlands, Italy, France, Belgium, Ukraine, Poland, Denmark, and Norway, which correspond to the majority of German exports into the European market (GIZ 2015). The answers on qualitative questions Q1 and Q4 of Indian and especially Chinese participants (3) of the study gave an additional element of external views on *Made in Germany*.

Most interviews were conducted face-to-face (25 or 83%), two interviews were conducted via Skype and three were conducted via telephone. The interviews lasted on average 35 minutes.

The answers for the first (open) question regarding the free association with Made-In-Germany brought, as expected (Hypothesis 1), a generally positive picture. 19 of the interview partners named "Quality", and most of them as the first word. Aside from answers like "good quality" and "high quality", we received one answer— "boring quality" as well as a comparison of the German products with "husband—not a lover" as a metaphor for reliability and boldness from the female responders from Australia. "Trust", "Solid", "Reliability", "Long duration of the use" were named twice, "Stability" and "No tricks"—each once, respectively.

In the free association, German companies (Deutsche Bahn plus twice BMW) were named three times in addition to four naming the cars in the first place. One of the female responders from Kyrgyzstan named "Quality" as the first attribute of MiG in her view, but added that „The VW Diesel-Gate is bombing this image".

Two responders connected MiG with "High-End Technology", and one with "Engineering", denying nevertheless in the discussion to evaluate it clearly: "Sometimes it is great, sometimes overdone".

Only one responder mentioned ecological aspects and sustainability as the free association with Made-in-Germany.

Concerning innovation, we have received no positive response. On the opposite side, the responders mentioned "poor design", "limited innovation and creativity" and absence of modern design. Twice, our responders mentioned the arrogance of German Business Partners, interestingly both times in

combination with the naming of high quality of the German products. One responder mentioned his father, who would have associated MiG with Nazi-Germany.

Summarizing the results toward RQ 1, we found our first hypothesis about a rather positive image of Made-in-Germany (especially in the link towards high quality and other risk-reduction attributes) confirmed. Warning signals, especially regarding low-level of innovation and design as well as some intercultural problems, do not turn the whole picture into the negative light. Diesel-Gate was named by only two interview partners, and scratched but has not yet destroyed image of reliability of MiG.

The answers of Q2 regarding price premiums for the MiG product in comparison to similar MiC products are shown in the Table 3 (s. Appendix). The results support our Hypothesis 2 regarding the moderation effect of *Uncertainty Avoidance* on the value of MiG in professional purchase decisions.

The answers to Q3 regarding price premiums for German services and technical solutions shows a similar tendency, generally supporting our Hypothesis 3, about the moderation effect of UAI purchasing decisions regarding services, similar to goods and equipment, as the chart below represents. Whether the purchase decisions for services need stronger risk reduction mechanisms than the purchasing decisions of goods (Bruhn and Georgi 2006), it is not detectable in this study. Twelve of thirty respondents named the same level of price premiums for the Q2 and Q3, ten were lower and eight were higher levels of price premiums for services MiG in comparison with MiC. In the following qualitative part of the interview, we could hear some skepticism about German service orientation ("not flexible", "complicated"). Also, the geographical element was mentioned: "We consume services from neighbors, not from other continents".

Generally, the moderating effect of *Uncertainty Avoidance* was shown also for services and technical solutions *Made in Germany*, analogous to products and technical equipment (Table 3 in the Appendix).

The answers to Q4, regarding purchasing decisions not as a professional but as a private market actor show general validation of Hypothesis 4, about the positive moderation effect of UAI in purchasing decisions. The clear correlation between the answers of Q2 and Q4 were not possible (similar to the compression of Q2 and Q3 above). Nevertheless, the tendency of paying a lower price premium as a private person in comparison with the professional context was indicated: 15 responders, in contrast to 7 responders who would accept a higher price premium as a private person, and the rest of 8 responders answered the same percentage. The moderating effect of the UAI was generally shown also in this case, analogous to results visualized above.

In the following qualitative part of the interviews, two professional negotiators even mentioned their method to making a final decision in the purchasing processes in the companies for which they work: "If all the facts and figures are the same, and pro and contra are balanced, I would ask myself which of the offers I would accept as a private person?". Similar "decision-making instruments" of another professional negotiator, and the results of our qualitative study contravene the rational dogma of business decision-making (Kahneman 2011).

Some responders believe that the long-lasting element of MiG products is not important for their private use, or in two cases, it is even counter-productive: „The machines in my plant are running 24/7, so it makes sense to accept higher investments in MiG, but not for my personal use because the children would break it soon anyway. Generally, I don't like to use something too long for my-

self personally, because I would lose the chance to enjoy a radical innovation. This is except for a good writing set, which is "Made in Switzerland"—I avoid durable things in my private sphere".

We would like to highlight the results of the interviews with three Chinese participants from our study. In the qualitative part of the study, they appreciate the German style of work and negotiation. Two of them answered the first question about free association with *Made in Germany* with "Quality", one with "Cars, Expensive". One of the responders was nevertheless skeptical about the German and European industry in the future: "Most of the people in Europe never heard about our Strategy of Industrialization (Made in China 2025 - notes from the authors). They just worried about acquisitions from Chinese companies, with the mix of fear and anger." Results of the quantitative part of the study for three responders from China are shown in the Table below.
They support the Hypotheses about the moderating effect of UAI (30 as the second lowest index in our study), but possibly also grounded in the new self-confidence of the Chinese business actors, shown in the qualitative part of the study.

Table1 Results of the quantitative part of the study for Chinese participants

———————————————————-

Insert Table 1 About Here

———————————————————

6. Discussion and Outlook

6.1 Summary

The main objective of this study was to understand the external view on *Made in Germany* as an example of *Country of Origin* depending on cultural influences on decision makers in B2B context while focusing on the moderating effect of *Uncertainty Avoidance* (UAI) as a dimension of cultural socialization of the participants in the purchasing process.

The results confirmed the moderating effect of UAI in all three areas:

- Purchasing decisions for technical equipment and goods (RQ2),

- Purchasing decisions for services and technical solutions (RQ3),

- Purchasing decisions in both B2B and B2C constellations (RQ4).

The results shown above, support Hypothesis 1, 2 and 3, affirming a positive moderating effect of UAI on purchasing decisions in all three situations.

Our prudently formulated Hypotheses 4, which as a first step towards „emotional turn" does not deny the emotional component of the decision-making process by professionals completely but expects a weaker leverage of MiG in B2B purchasing decisions compared with B2C purchasing decisions (Hypothesis 4) was not supported: the cultural component course of "irrational" elements in the case of professional B2B actors similar to unprofessional actors. These findings confirm the notion that the dogma of rational character of B2B context seems to be obsolete.

The qualitative study brought interesting insights into the external view on *Made in Germany.* The generally positive image of *Made in Germany*, including high-quality, durability, reliability, which

corresponds with Credibility as a critically emotional dimension of B2B brands (Herbst and Maerz 2011), has an "underbelly" demonstrated with critical voices like "boring design", "over-designed", "limited innovation," etc. The diesel-gate (The Economist 2016) left its footprint in only two interviews: the female participants with Kirghiz roots, who compared the tricks of VW engineers with "bombs falling on *Made in Germany*", nevertheless still associating *Made in Germany* with high quality, as well as male participants from France, who saw the sign of arrogance of German engineers and VW managers toward the customer generally, but still naming as a first association with *Made in Germany* "Quality".

At the first glance, paradoxical results can be explained with the inertness of images on brands (Bei and Cheng 2013; Ellwood 2002; Kakkar 1976). From another side, they must be taken into consideration as the first warning signals, especially in combination with the following results of this research: The signal industrial/corporate brands construct the whole CoO "brand". BMW, Deutsche Bahn and "cars" were ranked first in five from thirty interviews in answering the question about free association with *Made in Germany*.

The interesting aspect of not naming the environmental issues (with only one exception of a male responder from Denmark, associating MiG with sustainability, nevertheless as the last ranking in his answer) indicates the grave difference between external and internal views on *Made in Germany*. The importance of ecological values, projected from German (export) actors onto *Made in Germany* (BMUB 2014; BMWI 2014) seems to not be an element in the external values-package of *Made in Germany* in the view of import actors.

Since *Made in Germany* (MiG) is confronting the rising competition with *Made in China* (MiC) (DGQ 2016), although MiC is (still) anticipated as a lower-quality label (Wei 2017; Adel 2014), the

interviews with responders from China were of special interest. The results show from one side a rather positive, general evaluation, combined with an extremely low "translation" of such evaluations into the price premiums of MiG compared with MiC. These results, on the one hand correspond with the hypothesis of the positive moderating effect of UAI (with „30" for China second lowest in this study (Hofstede 2018)), and from another hand can be interpreted as a new and rising self-estimation of Chinese business people, knowing, using and appreciating their products, which was clearly articulated in the qualitative part of all three interviews. One of the responders, a female manager from China who linked *Made in Germany* with "Cars" and "Expensive" in Question 1, elaborated in Question 5: "Made in China stands in contrast to Made in Germany for break-up, for ambitions, and hope—like Made in Germany used to be a few decades ago". Such a position recalls the "Map of emotions" of Dominique Moisi, placing China in the "Continent of hope" and Germany together with other European countries and the USA in the "Continent of fear about its future" (Moisi 2009). The work of Moisi was unknown to our responder, making her observations even more interesting.

Finally, the study strongly supports the idea of emotional or irrational components—here grounded in the cultural socialization in different countries—in the decision-making process. Astonishingly and surprisingly, two gave similar explanations (one from a Dutch responder, one from a Ukrainian responder—i.e. representing contrarian UAI) that in the case of a decision between two alternatives, almost equally evaluated by rational criteria, they would ask themselves and the other members of the buying center for which of these two alternatives they would vote as a private person.

6.2 Implications

The implications of the results for a countries marketing and the (governmental) brand strategies for

Made in Germany, can be summarized in three directions, analogous to Sun, Paswan, and Tieslan

2016:

- improving the image of MiG by the country's institutions

- avoiding the negative narratives for the single elements (i.e. corporate brands linked to MiG)

- supporting the economic strength of the country as an element of positive evaluation of CoO.

The differentiation between internal and external views on *Made in Germany (*e.g. ecological values

and grade of innovation) should be taken into consideration by governmental institutions. Firstly, it

seems to be advisable not to focus on (from the user's perspective) less relevant categories like sus-

tainability, additionally confronting the diesel-gate of VW. Secondly, the poor evaluation in the field

of innovation and design must be offset with massive investment in research and development, and

also with professional communication, lauding Innovation-Made-In-Germany, probably failed in

their PR activities (GIZ 2015).

The results of our study indicate the interrelation between *Made in Germany* and the image of spe-

cific corporate brands. That means that the German companies not only benefit from the positive

image of *Made in Germany,* but also have responsibility to support such a positive image or at least

not, using the wording of one participant of our study, "bombing it" with narratives which can di-

minish the positive components of the "Common Brand" of all German companies.

Furthermore, our results show clear correlations between the value of the brand MiG and the cultural phenomenon measured by *Uncertainty Avoidance*: The higher the value in the index, the higher the willingness to pay higher prices, or in other words, the additional price of reducing risks and avoiding uncertainty (e.g. in Ukraine, Russia, Brazil, Belgium, Turkey, and Japan). Contrarily, in countries with lower UAI, the general appraisal of quality, durability, reliability and other positive attributes of MiG which reduce the risk of purchaser, will not be rewarded with higher prices for MiG as a brand (e.g. Denmark and China). The midfield of UAI (e.g. USA, Netherlands, Australia, and South Africa) will be disposed to pay higher prices to reduce the risks, but at a much lower rate than the first group and in combination with specific research towards a specific corporate brand.

Finally, the results of our study suggest relevancy of social and symbolic dimension of the brand value (Röytair, Rayala, and Brashear 2015; Erdem 2006) and the weight of irrational thinking, even in the professional business area. It can be generally interpreted as a wake-up call for anticipating and accepting the interwoven character of rational and emotional aspects in the business decision-making. On the more specific level of international negotiations and B2B decision-making, it means that the prescribing of emotional terms from preparation meetings of professional negotiations (Artinger, Vulkan and Shem-Tov, Y., 2015) can weaken the position of the negotiation team and prevent maximizing profit from, for example, the emotional potential of Country of Origin.

6.3 Limitations and Further Research

Our study continues the chain of marketing research of culturally relevant aspects of brand value. However, the study has several limitations which can be resolved by further research. The focus on the national culture in this study consequentially neglects the influence of different roles in the buy-

ing center (Herbst, Voeth and Meister 2011), often connected with the professional and functional culture (Slot 2016; Jayawardhena 2010; Kale and Barnes 1991) of each member of the buying center and the decision process in general.

Relatively small sampling for quantitative study could cause the critics on evidence of the conclusion towards the moderating effect of UAI. We argue nevertheless, that these findings are relevant, due to their specific focusing on B2B environment, „on top" of broadly proven correlation between price premium and UAI for B2C environment in previous studies.

The sampling of the study shows profound, if not systematically attained level of the diversity of culture and gender. In light of geopolitical and economic changes (Moisi 2009), the likely different views of younger managers can show differences grounded in the so-called Generation's Culture (Slot 2016), and could be relevant for the evaluation of *Made in Germany* in the near future. Such research would also contribute to the dynamic view on *Made in Germany* in general, and also a possible correction on the moderating effect of *Uncertainty Avoidance*.

The static character of this study, based in the objective to understand the status quo, caused an additional limitation: Using *Made in China* as a reference for the comparison with *Made in Germany*. Further studies can elaborate *Made in China* using *Made in Germany* or *Made in Japan* as references due to the goal of the Chinese government to rebrand the CoO for China with the current values of Germany and Japan by 2049 (Zhengfu 2015; Marutshina 2010).

Due to limitations in our study, which aimed to understand differences between cultures, and therefore includes only three participants from China, it should be followed by proper evaluation of both internal and external views on *Made in China* now in order to forecast the scenarios - since it is des-

tined for radical change by the Chinese government - on its impact in the future evaluation of *Made in Germany,* and other "old" and currently powerful *Country of Origins*.

References

Aaker, J.L. 1997. Dimensions of brand personality. *Journal of Marketing Research*, 34 (3), 347 - 356.

Aaker, J. L., Benet-Martinez, V., and Garolera, J. 2001. Consumption symbols as carriers of culture. A Study of Japanese and Spanish brand personality constructs. *Journal of Personality and Social Psychology*, 81 (3), 492-508.

Agarwal, J., Malhotra, N.K., and Bolton R.N. 2010. A Cross-National and Cross-Cultural Approach to Global Market Segmentation: An Application Using Consumers' Perceived Service Quality. *Journal of International Marketing*. Vol. 18(3), 18-40.

Aguirre-Rodriguez, A. 2004. Cultural Factors That Impact Brand Personification Strategy Effectiveness. Psychology & Marketing. Vol. 31 (1) 70 - 83.

Aichner, Th. 2014. Country-of-origin marketing : a list of typical strategies with examples. *Journal of Brand Management*, Vol. 21 (1), 81-93.

Al Ganideh, S.F., Elahee, M. 2012. Arab Spring and Jordanian Consumers' Animosity Toward Foreign Products: What Managers Need to Know. *Journal of Comparative International Management* Vol. 15, No.1, 86 – 97.

Al-Wugayan, A. A., Surprenant C. 2006. Examining relationships between personal, cultural values and desired benefits: a cross-national study. In: Rao, C.P (ed.) Marketing and Multicultural Diversity. Aldershot: Ashgate Publishing, 31-52.

Ansah, M.O. 2015. Cultural dimension in marketing managers' decision making: an application of Geert Hofstede index for Ghana. *European Journal of Research and Reflection in Management Science*, Vol. 3, No. 2, 15-28.

Artinger, S., Vulkan, N., and Shem-Tov, Y. 2015. Entrepreneurs' negotiation behavior. S*mall Business Econ* Vol. 44, 737–757.

Atwal, G., Bryson, D. 2017. *Luxury Brands in China and India*. Palgrave Macmillan Limited: London.

Backhaus, K., Voeth, M. 2010. Industriegütermarketing. Verlag Franz Zahlen: München.

Backhaus, K., Wilken, R., Voeth, M, and Sichtmann Ch. 2005. An empirical comparison of methods to measure willingness to pay by examining the hypothetical bias. *International Journal of Market Research* Vol. 47 (5), 543 - 562.

Balteanu, C., Barbulescu O. 2012. Qualitative marketing research regarding the impact of the crisis on the activity of the leasing companies. *Annals of the University of Petrosani Economics.* Vol. 12 (2), 55-62.

Barnes, J., Ayars W. B. 1977. Reducing new product risk through understanding buyer behavior. *Industrial Marketing Management.* Vol. 6, pp. 189 - 192.

Bei, L.-T., Cheng, T.-C. 2013. Brand power index - using principal component analysis. *Applied Economics,* Vol. 45 (20). 2954-2960.

Bienenfeld, J. 2016. Country of origin labeling for complex supply chains. In: *Agricultural Economics* 47(2).

BMUB. 2014. GreenTech made in Germany 4.0 : Umwelttechnologie-Atlas für Deutschland, http://www.bmub.bund.de/fileadmin/Daten_BMU/Pools/Broschueren/greentech_atlas_4_0_en_bf.pdf (accessed 6th of March 2020).

BMWI. 2014. Smart Energy Made in Germany: https://www.bmwi.de/Redaktion/DE/Publikationen/Energie/smart-energy-made-in-germany.pdf?__blob=publicationFile&v=3 (accessed 8th of Mai 2020).

Bruhn, M., Georgi, D. 2006. *Services Marketing: Managing the Service Value Chain.* Essex: Pearsson.

Calder, B. 1977. Focus Groups and the Nature of Qualitative Marketing Research. Journal of Marketing Research. Vol. 14, 353-6.

Chang K., Cherng G.D. 1995. The influence of culture on industrial buying selection criteria in Taiwan and Mainland China. *Industrial Marketing Management*. Volume 24(4), 277-284.

Conde Nast. http://www.condenast.com/brands/vogue/ (accessed 18. March 2020).

Czinkota, M., Ronkainen, I.A. 2003. An international marketing manifesto. *Journal of International Marketing* Vol. 11, No. 1, 2003, 13-27.

Damasio, A. 2006. *Descartes' Error: Emotion, Reason and the Human Brain*, London: Random.

Darley W.K., Blankson Ch. 2008. African culture and business markets: implications for marketing practices. *Journal of Business & Industrial Marketing* Vol. 23 (6), 374-383.

Dash, S., Bruning, E., and Ku Guin K. 2009. A cross−cultural comparison of individualism's moderating effect on bonding and commitment in banking relationships. *Marketing Intelligence & Planning.* Vol. 27 (1), 146-169.

Deutsche Welle. 2017. http://www.dw.com/en/125-years-of-made-in-germany/a-16188583 (accessed 30. April 2020).

DGQ. 2016. *„Made in Germany" und „Made in China" – so werden die beiden Exportmächte bewertet*: https://www.dgq.de/aktuelles/news/made-in-germany-und-made-in-china-so-werden-die-beiden-exportmaechte-bewertet/ (accessed 28. February 2020).

Eisingerich, A.B., Rubera, G. 2010. Drivers of Brand Commitment: A Cross-National Investigation. *Journal of International Marketing.* Vol. 18 (2), 64-79.

Ellwood, I. 2002. *The Essential Brand Book: Over 100 Techniques to Increase Brand Value*. Kogan Page: London.

Erdem, T., Swait, J., and Valenzueva, A. 2006. Brands as Signals: A Cross-Country Validation Study. *Journal of Marketing*. Vol. 70(1), 34-49.

Erdem, T., Swait, J. 1998. Brand equity as a signaling phenomenon. *Journal of consumer psychology*. Vol. 7(2), 131 - 157.

Fang, T. 2001. Culture as a Driving Force for Interfirm Adaptation: A Chinese Case. *Industrial Marketing Management.* Vol. 30(1), 51 - 63.

Farquhar, P. H. 2003. Discover your bland spots in your brand vision. *Marketing Management* Vol. 12, 18 - 25.

Fernandes, T., Procenca, J. 2008. The blind spot of relationships in consumer markets: the consumer proneness to engage in relationships. *Journal of Marketing Management;* Vol. 24 (1-2), 153-168.

Gürhan-Canli, Z. 2000. Cultural Variation in Country of Origin Effects. *Journal of Marketing Research.* Vol. 37, No. 3, 309 - 317.

Hansen, T. 2012. The moderating influence of Broad-Scope Trust on customer-seller relationship. *Psychology and Marketing* Vol. 29 (5), 350 - 364.

Herbst, U., Maerz M.A. 2011. The industrial brand personality scale: building strong Business-to-Business Brands. *Industrial Marketing Management*, 40(7), 1072-1081.

Herbst, U., Voeth, M., and Meister, C. 2011. What do we know about buyer-supplier negotiations in marketing research? A status quo analysis. *Industrial Marketing Management,* Vol. 40(6), 967–978.

Hofstede, Geert. 1991. *Cultures and organizations: software of the mind.* London: McGraw-Hill.

Hofstede, G. 2001. *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations.* Thousand Oaks CA: Sage.

Hofstede, G., Hofstede, G. J. and Minkov, M. 2010. *Cultures and Organizations: Software of the Mind.* 3rd Edition, McGraw-Hill.

Hofstede, G. H., Hofstede G. J. 2013. *Dimension Data Matrix,* available at http://geerthofstede.nl/research—vsm] (accessed 19th of April 2020).

House, R.J., M. Javidan, P. Dorfman, and P. Hanges 2004. *GLOBE: The Research Program.* Encyclopedia of Leadership, Berkshire Publishing Group.

GIZ. 2015. *Germany in the Eyes of the World*, Eschborn/Bonn: GIZ

Hansen, T. 2012: The Moderating Influence of Broad-Scope Trust on Customer–Seller Relationships. *Psychology & Marketing.* Vol. 29 (5), 350 - 364.

IKWW. 2018. http://interkulturell.eu/blog/?lang=en (accessed 8th Mai 2020).

Jayawardhena, C. 2010. The impact of service encounter quality in service evaluation: evidence from a business-to-business context. *Journal of Business & Industrial Marketing* Vol. 25 (5), 338 - 348.

Jimenez N., San-Martin S. 2016. The central role of the reputation of coutry-of-origin firms in developing markets. *Journal of Business & Industrial Marketing,* Vol. 31 (3), 349- 364.

Kahnemann, D. 2002. *Maps of bounded rationality: A perspective on intuitive judgment and choice.* Nobel Prize Lecture, available online https://www.nobelprize.org/uploads/2018/06/kahnemann-lecture.pdf (accessed 9th Mai 2020).

Kahnemann, D. 2011. *Thinking, Fast and Slow.* Farrah, Straus and Giroux: New York.

Kakkar, P. 1976. Inert Set or Inferred Set? *Journal of Marketing.* Vol. 40 (3), 59-60.

Kale, S. H. and Barnes, J.W. 1992. Understanding the Domain of Cross-National Buyer–Seller Interactions. *Journal of International Business Studies*, 23 (1), 101–132.

Kotler, Ph., Keller, K. L. 2008. *Marketing Management.* Upper Saddle River: New Jersey.

Kotler, Ph., Gertner, D. 2002. Country as brand, products, and beyond: A place marketing and brand management perspective. *Journal of Brand Management.* Vol. 9 Issue 4/5, 249 - 261.

Lam, D., Lee A., and Mizerski R. 2009. The Effects of cultural values in word-of-mouth communication. *Journal of International Marketing.* Vol. 17 (3), pp. 55 - 70.

Lee, J., Kim, S. 2014. A study on moderation effects of culture on business perforce and strategic alliances. *Advanced Science and Technology Letters*, Vol. 70, 41 - 44.

Liu, B. S.-C., Furrer O., and Sudharshan D. 2001. The relationship between culture and behavioral intentions toward services. *Journal of service research.* Vol. 4(2), 118 - 129.

Lodish, L. M., Morgan H.L., and Kallianpur A. 2001. *Entrepreneurial Marketing.* New York: John Wiley & Sons.

Merigo, J.M., Gil-Lafuente, A.M. and Gil-Lafuente, J. 2016. Business, industrial marketing and uncertainty. *Journal of Business & Industrial Marketing* Vol. 31 (3), 325-327.

Moisander, J., Valtonen, A. 2006. Qualitative Marketing Research: A Cultural Approach. London: SAGE.

Moisi, D. 2009. *The Geopolitics of Emotions.* The Bodey Head: London.

Muratshina, K.G. 2010. *China 2050.* Piminfo: Moscow.

Ozdemir, V.E., Hewett, K. 2010. The Effect of Collectivism on the Importance of Relationship Quality and Service Quality for Behavioral Intentions: A Cross-National and Cross-Contextual Analysis. *Journal of International Marketing.* Vol. 18 (1), 41-62.

Ormeno, M. 2007. Managing corporate brands. A new approach to corporate communication. Gabler Edition Wisschenschaft: Wiesbaden.

Pannucci, Ch., Wilkins, E. 2014. Identifying and Avoiding Bias in Research. *Plastic and Reconstructive Surgery.* Vol. 126(2), 619-625.

Paul, P., Roy A., and Mukhopadhyay K. 2006. The Impact of Cultural Values on Marketing Ethical Norm: A Study in India and the United States. *Journal of International Marketing.* Vol. 14(4), 28-56.

Petersen, J.A., Kushwaha, T., and Kumar, V. 2015. Marketing Communication Strategies and Consumer Financial Decision Making: The Role of National Culture. *Journal of Marketing.* Vol. 79(1), 44-63.

Ravens, Ch. 2014. *Internal Brand Management in an International Context.* Wiesbaden: Gabler Fachmedien.

Rosenblum, B., Larsen, T. 2003. Communication in international business-to-business marketing channels: Does culture matter? *Industrial Marketing Management.* Volume 32 (4), 309-315.

Saavedra, C. 2017. The Marketing Challenge for Industrial Companies : Advanced Concepts and

Practices, Cham: Springer.

Samaha, S. A., Beck J.T., and Palmatier R.W. 2014. The role of culture in international relationship

marketing. *Journal of Marketing,* Vol. 78, 78–98.

Sarial-Abi, G., Gürhan-Canli, Z. 2016. Whether One Looks for Means to Overcome Regulatory Re-

strictions or Show Source Negativity Depends on the Type of Regulatory Restrictions,

Journal of the Association for Consumer Research, Vol 1(3), 411-421.

Schwartz, Sh. H. 1999. A Theory of Cultural Values and Some Implications for Work. *Applied psy-

chology: an international review.* 48 (1), 23 - 47.

Slot I. 2016. *Lost in globalization, found in diversity*. www.interkulturell.eu (accessed 3d of Mai

2020).

Sohail, S. 2005. "Malaysian consumers' evaluation of products made in Germany: the country of

origin effect", *Asia Pacific Journal of Marketing and Logistics,* Vol. 17 Issue: 1, 89-105

Strong, J., Bolat E. 2016. A qualitative inquiry into customers' perspectives on branding and the

role of digital technologies in B2B: A case study of Panasonic. *Journal of Customer Behavior.* Vol.

15, No. 1, 97-116.

Sun Q., Paswan A. K., and Tieslan M. 2016. Country Resources, Country Image, and Exports:

Country Branding and International Marketing Implications. J*ournal of Global Marketing.* Vol. 29,

2016, No. 4, 234 - 246.

Swaminathan, V., Page K.L., and Gürhan-Canli Z. 2007. „My" Brand or „Our" Brand: The effects

of Brand Relationsshop Dimensions and Self Construal on Brand Evaluations. *Journal of Consumer

Research.* Vo. 34(2), 248-259.

Tadepalli, R., Moreno, A., and Trevino S. 1999. Do American and Mexican Purchasing Managers

Perceive Ethical Situations Differently? An Empirical Investigation. *Industrial Marketing Manage-

ment*, 28(4), 369-380.

Taras V. 2010. Examing the impact of cultur's consequences: a three-decade multilevel, meta-analytic review of Hofstede's cultural value dimensions. *Journal of Applied Psychology.* Vol. 95, No. 3, 405 - 439.

The Economist. 2016. *The diesel-gate dilemma.* https://www.economist.com/news/science-and-technology/21688109-end-road-clean-affordable-diesel-cars-dieselgate-dilemma (accessed 6th of March 2018).

The Economist. 2018. *Germany's conservative economic model is being put to the test.* https://www.economist.com/leaders/2018/04/14/germany-is-becoming-more-open-and-diverse. (accessed 6th of July 2018).

Töytäri, P., Rajala, R., and Alejandro Th. B. 2015. Organisational and institutional barriers to value-based pricing in industrial relationships. *Industrial Marketing Management.* Vol 47, 53 - 64.

Triandis, H. Ch. 1995. *Individualism & Collectivism.* New-York: Avalon Publishing.

Tülin, E., Joffe, S., and Valenzuelva A. 2006. Brands as Signals: A cross-country validation study, *Journal of Marketing.* Vol. 70, No. 1, 34 - 49.

Usunier, J.-C., Lee J. A. 2009. *Marketing across cultures.* Essex: Prentice Hall Europe.

Vasile, A.K., Nikolescu L. 2016. Hofstede's cultural dimensions and Management. *Cross-Cultural Management Journal* , Vol 18 (1), 35-46.

Verhage, B., Yavas, U., and Green R.T. 1990). Perceived risk: A cross-cultural phenomenon? *International Journal of Research in Marketing*, 7/1990, 297 - 303.

Wei, S.-J., Xie, Z., and Zhang, X. 2017. From „Made in China" to „Innovated in China". Necessity, Prospect and Challenges. *Journal of Economic Perspectives,* Vol. 31 (1), 47 - 70.

Wien, A.H., Olsen S.O. 2014. Understanding the relationship between individualism and Word of Mouth: A self-enhaucement explanation. *Psychologie & Marketing.* Volume 31 (6), 416–425.

Zhengfu, S.J. 2015. *Supernormal Growth: China's Economy 1979-2049.* World Century: Hackensack.

Appendix

Table 2 Chronological overview of marketing research using different cultural dimensions as moderating effect:

———————————————

Insert Table 2 About Here

———————————————

Table 3 Results of the quantitative part of the study

———————————————

Insert Table 3 About Here

———————————————